

**EMERGENCY SOLUTIONS GRANTS PROGRAM  
Balance of State Allocation**

**2016  
NOTICE OF FUNDING  
AVAILABILITY**



**State of California  
Governor Edmund G. Brown Jr.**

**Ben Metcalf, Director  
Department of Housing and Community Development**

# Table of Contents

<b>I.</b>	<b>INTRODUCTION</b>		<b>1</b>
	Overview	1	
	Regulatory Authority	1	
<b>II.</b>	<b>KEY CHANGES IN HCD'S ESG PROGRAM</b>		<b>2</b>
	ESG Redesign	2	
	Balance of State Allocation	2	
	Role of Continuum of Care in the Balance of State Allocation	3	
	Core Practices	3	
<b>III.</b>	<b>NOFA Eligibility Requirements</b>		<b>3</b>
	Eligible Applicants	3	
	Eligible Activities	4	
<b>IV.</b>	<b>TERMS OF ASSISTANCE</b>		<b>6</b>
	Term of Grant	6	
	Minimum and Maximum Grant Awards Per Application	7	
	Subcontracting Activities	7	
<b>V.</b>	<b>APPLICATION Requirements</b>		<b>7</b>
	Proposed Activities	7	
	Continuum of Care Application Recommendations	7	
	Application Threshold Requirements	8	
	Application Submittal Requirements	8	
<b>VI.</b>	<b>RATING CRITERIA</b>		
	<b>10</b>		
	Application Selection	11	
	Appeals	12	
<b>VII.</b>	<b>IMPLEMENTATION Requirements</b>		<b>12</b>
	Core Practices	12	
	Written Standards	13	
	Contract Expenditure and Obligation Requirements	14	
<b>VIII.</b>	<b>IMPORTANT DATES AND APPLICATION WORKSHOPS</b>		<b>18</b>

## I. INTRODUCTION

### Overview

The 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. Through this Notice of Funding Availability (NOFA), HCD announces the availability of funding for federal fiscal years 2015 and 2016 of approximately \$22,070,166 for eligible Continuum of Care (CoC) Service Areas listed in Appendices A and B.

CoC Service Areas listed in Appendix B (the CoC Allocation) have approved ESG Administrative Entities (AEs) that will administer State ESG funds directly. CoC Service Areas listed in Appendix A, (the Balance of State or BoS Allocation), can access funds noncompetitively for Rapid Rehousing (RR) and through regional competitions administered by HCD. **This NOFA solicits applications for the regional competitions within the BoS Allocation from eligible applicants recommended by their CoC. All references to the “State” are references to the State of California.**

### Regulatory Authority

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.](#) Relevant legal authority includes, but is not limited to, the following:

- [24 CFR Part 576](#), (federal ESG regulations);
- California Code of Regulations, Title 25, Subchapter 20, Sections 8400-8417 ([State ESG Regulations](#));
- [24 CFR Part 91](#) relating to Annual Plan requirements;
- [24 CFR Part 58](#), relating to environmental reviews;
- Office of Management and Budget (OMB) requirements for Universal Identifier and Central Contractor Registration, [2 CFR Part 25](#), Appendix A to Part 25-Award Term; and
- Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 Homeless Definition Final Rule: [24 CFR Parts 91](#), [582](#) and [583](#). The Interim Rule, published in the Federal Register on December 5, 2011, provides the homeless definition which applies to the ESG Program.

If federal or State statutes or regulations, or other laws, governing the Program (or its funding) are modified by Congress, HUD, HCD, or the State Legislature prior to completion of work to be done pursuant to awards made in connection with this NOFA, the changes may become effective immediately and apply to funded activities.

In administering this NOFA, if there is a conflict between the federal and State 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.

## II. KEY CHANGES IN HCD'S ESG PROGRAM

### ESG Redesign

Over the past two years, HCD's ESG Program was redesigned along with HUD technical assistance. These changes better align the State program with the HEARTH Act and increase coordination of State investment in reducing homelessness with local homelessness systems and federal investments. HCD seeks to invest in the most beneficial activities as measured by key performance goals and outcomes, such as reducing the length of time people are homeless and increasing placement in permanent housing.

In the redesigned ESG, HCD will distribute ESG funding based on CoC Service Areas (Service Areas) through two allocations pursuant to a formula set forth in [25 CCR Section 8402](#):

- BoS for Service Areas that do not contain a city or county that receives ESG directly from HUD; and
- CoC Allocation for Service Areas that contain a city or county that receives ESG directly from HUD.

### Balance of State Allocation

Funding in the BoS Allocation is made available based on recommendations from a CoC in two ways:

- Through regional competitions within three geographic regions (Northern Region, Bay Area Region, Central and Imperial Valley Region) pursuant to [25 CCR Section 8404 \(a\) \(3\)](#) as described in this NOFA (in red below); and
- Through a noncompetitive process for RR activities to be described in HCD's Management Memo to be released separately on or before May 16, 2016.



This NOFA relates to funding under the regional competitions for the BoS Allocation. HCD will directly administer contracts with funded service providers in the BoS Allocation.

Amounts allocated under both the CoC Allocation and BoS Allocation (including amounts for the non-competitive RR and the regional competition) are provided in Appendices A and B.

## **Role of Continuum of Care in the BoS Allocation**

Under the redesigned ESG, CoC organizations play an integral role in recommending provider applications to compete for funds within their regional competition. In making these funding recommendations, the CoC must follow a fair and open process which meets the requirements of [25 CCR Section 8404 \(a\) \(2\)](#) described in Section V and meet the timeframes in Section VIII.

CoCs will recommend RR applications for the noncompetitive funding following a similar process to be described in the HCD's Management Memo. Additionally, CoCs are responsible for ensuring that the funded activity will:

- provide eligible sources of matching funds;
- operate consistently with system-wide written standards described further in Section VII, adopted by the CoC for the proposed activity;
- enter data into the applicable community-wide Homeless Management Information System (HMIS) operated by the CoC; and
- use the CoC Coordinated Entry system in a manner that prioritizes access to people with the most severe needs and otherwise promotes consistency with Core Practices.

## **Core Practices**

All funded activities must be operated consistent with Core Practices as described in [25 CCR Section 8409](#) and in Section VII of this NOFA. Core Practices include:

- comprehensive and coordinated access to the funded activity throughout the Service Area of the CoC;
- prioritized access to funded services for people with the most severe needs;
- low barrier access to services and services operated consistent with housing first practices; and
- a progressive engagement approach to services and financial assistance.

## **III. NOFA ELIGIBILITY REQUIREMENTS**

### **Eligible Applicants**

Applicants seeking funding under this NOFA must either be a private non-profit organization or a unit of general purpose local government proposing to provide ESG-eligible activities within a CoC Service area as listed in Appendix A. All applicants seeking funding under this NOFA must have a Dun and Bradstreet Universal Numbering System (DUNS) number. Applicants must list their DUNS number in the ESG application.

Private non-profit organization, as defined in [24 CFR 576.2](#), is an organization that: 1) is a secular or religious organization described in Section 501(c) of the Internal Revenue Code of 1986 and which is exempt from taxation under subtitle A of the Codes; 2) has an accounting system; 3) has a voluntary board; 4) practices nondiscrimination in the provision of assistance; and 5) does not include a governmental organization, such as a public housing agency or housing finance agency.

Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible program participants without regard to religion.

Units of general purpose local government, as defined in [24 CFR 576.2](#), are any city, county, town, township, parish, village, or other general purpose political subdivision of a state. Units of general purpose local government applying for ESG funding for emergency shelter and/or street outreach activities must not replace funds the local government provided for these activities during the immediate preceding 12-month period, except in situations of severe financial deficit as determined by HUD.

## **Eligible Activities**

The following activities are eligible under this NOFA:

- RR;
- Emergency Shelter (ES), except for additions, renovations, conversion, and major rehabilitation costs;
- Street Outreach (SO);
- HMIS; and
- Homelessness Prevention (HP) activities are eligible only in conjunction with RR or ES activities, and are limited to ten percent of the total requested per application. HP is not eligible as a stand-alone activity (see Section V of this NOFA for details).
- Indirect costs of private non-profit organizations, local governments and joint powers authorities, as applicable and in accordance with [2 CFR 200](#), are an eligible expense, but may not exceed ten percent of the allowable direct costs under the ESG activity unless a higher limit for indirect cost allocation has been approved by the applicable federal agency pursuant to OMB requirements. Agencies requesting an indirect cost allocation above 10 percent must provide a letter from the federal agency which has approved the higher rate.
- Grant Administration of up to \$200 per application may be requested by local government applicants under this NOFA ([24 CFR 576.108](#)).

The following summarizes ESG-eligible activities under this NOFA. ***Applicants are urged to consult the relevant federal and State regulations for full requirements associated with each activity.***

## **Rapid Re-Housing Assistance (24 CFR 576.104; 25 CCR 8408)**

ESG funds may be used to provide housing relocation and stabilization services and short- or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. RR activities must meet all of the HUD requirements specified at 24 CFR 576.104 including requirements for:

- eligible program participants;
- eligible costs, including financial assistance costs and services costs;
- maximum amounts and periods of assistance;
- use with other subsidies;
- limitations on maximum rent levels;
- rental assistance agreement with owner;
- lease agreement between owner and participant; and
- condition of housing where assistance is provided.

In addition to federal requirements, pursuant to [25 CCR Section 8408](#), no subpopulation targeting will be permitted in RR activities unless documentation of the following is provided to HCD prior to the award of funds for these activities:

- (1) evidence of an unmet need for these activities for the subpopulation proposed for targeting; and
- (2) evidence of existing funding in the CoC Service Area for programs that address the needs of all of the excluded populations.

## **Emergency Shelter (24 CFR 576.102; 25 CCR 8408)**

ESG funds may be used for costs of providing essential services and shelter operations, as defined in federal regulations, to homeless families and individuals in an ES. An ES is any facility where the primary purpose is to provide a temporary shelter for general or specific populations experiencing homelessness, and which does **not** require occupants to sign leases or occupancy agreements. Hotel or motel vouchers may **only** be used if there is no other appropriate ES available for a homeless family or individual.

Federal regulations prohibit involuntary family separation based on the age of a child under age 18. ESG-funded ES activities must operate for at least as long as the term of the ESG grant, and must comply with all requirements of 24 CFR 576.101, which address maintenance of effort requirements to ensure ESG funds are not replacing local government funds during the immediately preceding 12-month period.

Day Shelters: A day shelter must meet the criteria in the ES definition and will compete as an ES. The primary purpose of a day shelter must be to provide temporary shelter for persons experiencing homelessness. Facilities such as multi-purpose centers or stand-alone soup kitchens do **not** qualify as ES. Day shelters must target people who are sleeping on the streets, or in ES. Clients experiencing such homelessness must be permitted to stay at the day shelter during all hours it is open for shelter.



While renovation, major rehabilitation, or conversion are **not** eligible under this NOFA, maintenance activities or [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.

### **Street Outreach (24 CFR 576.101)**

ESG funds may be used for SO activities which include the costs of providing essential services necessary to reach out to unsheltered homeless people, connecting these individuals with ES, housing or critical services, and providing urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access ES, housing or an appropriate health facility.

Eligible activities include engagement, case management, emergency health and mental health services, transportation, and services for special populations, as defined in the federal regulations. ESG-funded SO activities must operate for at least as long as the term of the ESG grant, and must comply with the requirements at 24 CFR 576.101, which address maintenance of effort requirements to ensure ESG funds are not replacing local government funds during the immediately preceding 12-month period.

While SO is an eligible stand-alone activity, it may also be proposed in conjunction with RR or ES. The intention of including this activity with these activities is to facilitate reaching and prioritizing persons experiencing homelessness that are unsheltered and living in places not designed for human habitation for services, consistent with Core Practices.

### **Homelessness Prevention (24 CFR 576.103)**

HP activities are not eligible in this NOFA as a stand-alone activity, but may be proposed in conjunction with ES (for example, to facilitate shelter diversion) or with RR activities (for example, to facilitate preventing homelessness of a previously assisted individual or household who is experiencing instability after RR assistance has ended).

ESG funds can provide housing relocation and stabilization services and short or medium term rental assistance to someone who is “at risk of homelessness,” as defined in [24 CFR 576.2](#), but only to the extent to help the participant regain housing stability.

### **HMIS (24 CFR 576.107; 25 CCR 8408)**

ESG can pay for HMIS activities associated with contributing data associated with RR, ES, SO, and HP activities. As defined in State regulations, HMIS includes the use of a comparable database as permitted by HUD. In no case can costs exceed ten percent of the total amount requested per application. HMIS activities must comply with HUD’s standards on participation, data collection, and reporting. See federal regulations for complete lists of eligible HMIS costs.

## **IV. TERMS OF ASSISTANCE**

### **Term of Grant**

The Standard Agreement for funds awarded under this NOFA will expire no earlier than June 30, 2018.



## Minimum and Maximum Grant Awards Per Application

The minimum grant award allowed per application for funds awarded under the regional set-asides is \$75,000, and the maximum award allowed per application is \$200,000.

## Subcontracting Activities

An ES or RR application may request up to a total of ten percent per application for SO or HP activities, or both, without having to apply separately for the SO or HP component. The SO or HP activity may be subcontracted to another eligible provider or may be provided directly by the applicant.

Except as noted above, subcontracting ESG funds is not permitted. Procuring services related to carrying out the funded program is permissible. Federal procurement rules may apply.

## V. APPLICATION REQUIREMENTS

### Proposed Activities

Applications requesting funds under the regional set-asides may:

- Propose a single eligible RR, ES, or SO activity.
- Combine SO or HP activities, or both, with an RR or ES activity, or both. The “add-on” SO or HP activities, or both, cannot exceed ten percent of the total amount requested per application. Any SO or HP activities added will be evaluated to ensure eligibility but will not be rated.
- Any application may include HMIS costs and indirect costs related to the core activity as discussed in Section III.

### Continuum of Care Application Recommendations

Applications shall only be considered if recommended by the CoC where the activity is proposed. A maximum of **two applications** may be recommended from each CoC.

Recommended applications may not request less than \$75,000 or more than \$200,000. In recommending applications for regional allocation funds, the CoC must follow a process consistent with [25 CCR Section 8404 \(a\) \(4\)](#). The process must be:

- fair and open, and avoid conflicts of interest in project selection, implementation, and the administration of funds;
- consider state application eligibility and rating criteria as described in the “Application Threshold Requirements”, “Application Submittal Requirements”, and the “Rating Criteria” sections below; and
- select an eligible activity or activities to be offered consistent with Core Practices as described in [25 CCR Sections 8408 and 8409](#), (discussed in Section VII).

## **Application Threshold Requirements**

An application must meet threshold requirements as described below to be eligible for rating and ranking.

1. The application is received by the deadline, as discussed below under “Application Submittal Requirements.”
2. The applicant is an eligible applicant as described in Section III.
3. The application is recommended by the CoC from the Service Area where the activity is proposed. The CoC can recommend no more than two applications.
4. The application requests must be not less than \$75,000, nor more than \$200,000.
5. Proposed activities are eligible pursuant to Section III.
6. Site control is documented for any application proposing ES activity.
7. The application includes system-wide written standards for the proposed activity adopted by the CoC, as described in Section VIII.
8. For private non-profit organizations proposing ES activities, the application includes a Certification of Local Approval completed and signed by the city or county where the activity is located as required by [24 CFR 576.202 \(a\) \(2\)](#).
9. The application includes a completed resolution designating a person responsible for executing all documents related to the application of ESG funds.
10. Applicants have identified dollar-for-dollar match for the ESG funding with funds from other public or private sources as required by [24 CFR 576.201](#).

An application may be deemed ineligible if the application does not meet threshold requirements or if the application is incomplete and HCD cannot determine compliance with threshold requirements. HCD may also request clarification of unclear or ambiguous statements made in the application and other supporting documents where doing so will not impact the competitive scoring of the application. HCD may also request documentation necessary for compliance with federal or State requirements, provided such documentation is not used for scoring purposes. HCD may request that an applicant revise application documents as necessary to establish compliance provided such revisions do not impact the competitive scoring of the application.

## **Application Submittal Requirements**

One hardcopy application with wet, original signatures and one compact disc copy or USB flash drive of the hardcopy application, with signatures must be received using an express mail carrier for overnight delivery by the application deadline of 5:00 pm Friday, July 1, 2016.

1. Faxed, emailed, or applicant walk-in applications will not be accepted.

2. HCD will only accept applications through a mail carrier service such as U.S. Postal Service, UPS, Fed Ex or other carrier services that provide date stamp verification confirming delivery to HCDs offices at one of the following addresses:

**US Mail**

Emergency Solutions Grants Program  
Department of Housing and  
Community Development  
Division of Financial Assistance  
P.O. Box 952054  
Sacramento, CA 94252-2054

**Private Carrier**

Emergency Solutions Grants Program  
Department of Housing and  
Community Development  
Division of Financial Assistance  
2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833

Delivering an application to an express mail carrier for overnight delivery by the application deadline will constitute a valid submittal. HCD understands that this means applications may arrive in the Sacramento headquarters the day following the deadline. If the mailed application's delivery paperwork clearly demonstrates that the application (a) left the applicant's possession by 5:00 p.m. on July 1, 2016 and (b) was sent overnight delivery by an express mail provider, HCD will accept the application.

Example

2016 applications will be due by 5:00 p.m. Friday July 1, 2016. Applications submitted to a local express mail carrier by that deadline for overnight delivery would be accepted by HCD, even though the application will arrive at the Sacramento office the morning of Tuesday July 5, 2016. HCD staff will confirm that the application package was delivered to the express mail carrier in time by reviewing the paperwork on the mailing.

Problems or Questions

HCD will contact the applicant with any questions regarding the express mail service submittal time and date. Where the submittal time is unclear from the package documentation, the applicant will be required to produce an online delivery service log or other verifiable proof of timely submittal. HCD will not hold the applicant responsible for any performance failures by the express mail delivery service. However, in such cases, HCD will seek clear evidence that the applicant performed in good faith, and met conditions (a) and (b) above. HCD strongly urges applicants to provide ample time for delivery of applications.

**VI. RATING CRITERIA (25 CCR 8406-8407)**

All applications meeting the threshold requirements will be rated based on the following criteria.

Factor	Criteria	Max Points
<b>Applicant Experience</b>	Length of experience implementing the proposed eligible activity or activity similar to the proposed activity.	20
	For applicants who have received funding in the State’s ESG program in at least one of the past three years, <b>a maximum of 20 points will be deducted</b> for the following: <ul style="list-style-type: none"> <li>○ whether HCD has terminated or disencumbered ESG grant funding;</li> <li>○ whether the applicant has any unresolved monitoring findings in ESG that pose a substantial risk to HCD;</li> <li>○ whether the applicant has submitted annual reports in a timely manner for ESG grants.</li> </ul>	-20
<b>Program Design</b>	Quality of the proposed program in delivering eligible activities to participants consistent with CoC’s written standards and Core Practices.  In making determinations under this rating factor, HCD may examine such things as CoC written standards for the proposed activity; provider guidelines governing activity operations; program rules for clients; and the reasonableness of program staffing patterns and the activity budget relative to program design, target population, and local conditions.	20
<b>Need for Funds</b>	Need for funds is based on whether the application activity and subpopulation targeting, if any, meets a high need for the community as identified by the CoC, in a manner that is consistent with Core Practices.  Need is supported by data and analysis provided by the CoC, including, but not limited to, HMIS data and data from the most recent point-in-time count of homeless persons published by HUD.	10
<b>Impact and Effectiveness</b>	Scoring for the performance outcomes in the Impact and Effectiveness rating factor will be evaluated using data from HMIS for federal fiscal year 2014-15, or for those projects not in operation during this entire time period, the most recent 12 month period. For data coming from Victim Service Providers, data from a HUD-compliant comparable database may be used.  <u>Project-Level Performance Data</u> The project level measures are as follows: 1) Average length of project participation for individual leavers, 2) Leavers exiting to permanent housing. Scores assigned will be based on relative success rate. For project-level performance metrics, programs of the same activity type (i.e. SO, ES, RR) will only be compared against programs of that same activity-type.	30

Factor	Criteria	Max Points
	<p><u>System-Level Performance Data</u>  Reports submitted by the CoC must be consistent with HUD's May 2015 System Performance Measures. Data for Measures 1,2,3,5 and 7 must be submitted to HCD. Scoring will solely be based on the degree to which the CoC produces the information. The results of the data collected in these reports will not be scored for the FY2016-17 funding round.</p>	
<b>Cost Efficiency</b>	<p>Using HMIS and expenditure data for federal fiscal year 2014-15, or for those programs not in operation during this entire time period, the most recent 12 month period, applications will be evaluated based on the average cost per exit to permanent housing based on the total program expenditures for the proposed activity and the number of exits to permanent housing.</p> <p>For data coming from Victim Service Providers, data from a HUD-compliant comparable database may be used</p> <p>HCD may require documentation to verify the accuracy of the information provided by the applicant. Such documentation shall be provided upon the request of HCD.</p>	10
<b>TOTAL</b>		<b>90</b>

### Application Selection

Application will be ranked based on their score as follows:

1. Within each regional allocation, applications will be ranked in descending order and awarded the amount requested in the application or a revised amount if necessary to conform to funding limits in the NOFA. In the event of a tie between applicants within a regional allocation, funds will be awarded to the applicant who scored the most points in the Impact and Effectiveness rating factor.
2. When there are insufficient funds to fully fund the next highest ranked unfunded application, this application may be partially funded if the funded activities can be adequately performed with the remaining ESG allocation.
3. ESG funds remaining in a regional allocation may be made available for the highest ranked unfunded applications in the other regional set-asides. HCD may elect to not award remaining funds and hold for distribution in the next NOFA.

Applicants are advised that, if funded, their application will be incorporated by reference into the Standard Agreement. HCD will carefully examine the applicant's records at the time of grant monitoring to determine the accuracy of statements made in their application. If it is determined that an applicant falsified any certification or application information, HCD reserves the right to require reimbursement of the full amount of the ESG award, and to

prohibit further participation in the ESG program. HCD may also impose any other actions permitted under [24 CFR 576.501 \(c\)](#).

## **Appeals**

Time is of the essence in awarding federal ESG Program funds. Any funding delays could result in the loss of all ESG Program funding received by HCD. Therefore, HCD's funding decisions are final and are not subject to appeal.

## **VII. IMPLEMENTATION REQUIREMENTS**

### **Core Practices ([25 CCR 8409](#))**

Use of Coordinated Entry: Unless exempted by federal rules, all ESG-funded activities shall utilize a coordinated entry system established by the CoC in a manner that promotes the following:

- comprehensive and coordinated access to assistance regardless of where an individual or family is located in the CoC Service Area. Local systems should be easy to navigate and have protocols in place to ensure immediate access to assistance for people who are experiencing homelessness or most at-risk;
- prioritized access to assistance for people with the most urgent and severe needs, including, but not limited to, survivors of domestic violence. ESG-funded activities shall seek to prioritize people who:
  - are unsheltered and living in places not designed for human habitation,
  - have experienced the longest amount of time homeless; and
  - have multiple and severe service needs that inhibit their ability to quickly identify and secure housing on their own; and
  - for HP activities, people who are at greatest risk of becoming literally homeless without an intervention and are at greatest risk of experiencing a longer time in shelter or on the street should they become homeless.

Housing First Practices: All ESG-assisted projects shall operate in a manner consistent with housing first practices as reflected in the CoC written standards and progressive engagement and assistance practices, including the following:

- ensuring low-barrier, easily accessible assistance to all people, including, but not limited to, people with no income or income history, and people with active substance abuse or mental health issues;
- helping participants quickly identify and resolve barriers to obtaining and maintaining housing;
- seeking to quickly resolve the housing crisis before focusing on other non-housing related services;
- allowing participants to choose the services and housing that meets their needs, within practical and funding limitations;

- connecting participants to appropriate support and services available in the community that foster long-term housing stability;
- offering financial assistance and supportive services in a manner which offers a minimum amount of assistance initially, adding more assistance over time if needed to quickly resolve the housing crisis by either ending homelessness, or avoiding an immediate return to literal homelessness or the imminent risk of literal homelessness. The type, duration, and amount of assistance offered shall be based on an individual assessment of the household, and the availability of other resources or support systems to resolve their housing crisis and stabilize them in housing; and

RR and HP Terms of Assistance: RR activities funded within the same CoC Service Area shall follow the same program requirements for type, duration, and amount of assistance provided, unless the CoC provides sufficient written justification for any differences and approved by HCD. HP activities funded within the same CoC Service Area shall follow the same program requirements for type, duration, and amount of assistance provided, unless sufficient written justification for any differences is provided by the CoC and HCD approves such justification.

**Written Standards ([24 CFR 576.400\(e\)](#); [25 CCR 8409](#))**

Funded activities must operate consistent with written standards currently adopted by the CoC and applicable to all similar activities. In general, written standards address such things as policies and procedures for evaluating eligibility, for targeting and prioritizing services, for length and terms of assistance, for coordination among services, and for participation in HMIS. Consult the federal regulations for what should be addressed in written standards for each activity.

In addition, State regulations require that written standards reflect Core Practices in [Section 8409](#), including:

- protocols for use of coordinated entry to promote comprehensive and coordinated access to assistance and prioritized access to assistance for people with the most urgent and severe need;
- use of housing first and progressive engagement practices; and
- consistent program requirements governing decisions around type, duration, and amount of assistance provided if multiple RR or HP programs are operated within the same Service Area.

For additional detail and instruction, consult [Section 8409](#).

**Match ([24 CFR 576.201](#); [25 CCR 8410](#))**

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



Matching contributions may be obtained from any source, including any federal source other than the ESG program, as well as State, local, and private sources. However, the following requirements apply to matching contributions from a federal source of funds:

- laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds; and
- if ESG funds are used to satisfy the matching requirements of another federal program, then funding from that program may not be used to satisfy the matching requirements as described in [24 CFR §576.201](#).

### **Contract Expenditure and Obligation Requirements**

Within 120 days after the date that the State obligates its funds to a unit of general purpose local government, the Subrecipient must obligate all of those funds by a subgrant agreement with, or a letter of award requiring payment to, a private non-profit organization; a procurement contract; or the written designation of a department within the government of the Subrecipient to directly carry out an eligible activity.

Subrecipients may request an advance of 30 days' working capital or \$5,000, whichever is greater, after the Standard Agreement with HCD is fully executed. Otherwise, all funding requests are on a reimbursement-only basis.

All eligible costs incurred as of the date of the award letter issued to the Subrecipient by HCD are reimbursable. Subrecipients shall not expend any funds requiring reimbursement **prior** to this award letter. In addition, no funds shall be expended until any required environmental review process has been completed.

Requests for disbursement must be made at least quarterly. HCD may establish minimum reimbursement amounts, or other related procedures necessary for the efficient administration of the ESG Program.

### **Additional Federal Requirements**

a. General ([24 CFR 576.407\(a\)](#))

The requirements in 24 CFR Part 5, Subpart A are applicable, including the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a). Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 41701u and implementing regulations at 24 CFR Part 135 apply, except that homeless individuals have priority over other Section 3 residents in accordance with 24 CFR 576.405(c).

b. Homeless Participation ([24 CFR 576.405](#))

The applicant must provide for the participation of not less than one homeless individual or formerly homeless individual on the Board of Directors or other equivalent policy-making entity, to the extent that the entity considers and makes policies and decisions regarding any facilities, services or other assistance that receives funding under ESG.

c. Program Termination (24 CFR 576.402)

Consistent with the written standards, if an individual or family receiving ESG assistance violates program requirements, the Subrecipient may terminate assistance. The Subrecipient is required to terminate assistance in accordance with a formal written process that has been established and that recognizes the rights of individuals or families affected. The Subrecipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

d. Program Administration (24 CFR 576.500)

Applicants must demonstrate the financial management and programmatic expertise to successfully develop, design, implement, and monitor the proposed activity or activities. This expertise can be demonstrated through previous experience in successfully developing projects similar to the one proposed, either by partners or key staff within the applicant's organization.

e. Faith-Based Activities (24 CFR 576.406)

Religious organizations may receive ESG funds if they agree to provide all eligible activities under this program in a manner that is in accordance with 24 CFR 576.406. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Organizations that are directly funded under the ESG Program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. Refer to 24 CFR 576.406 for additional details.

f. Affirmative Outreach (24 CFR 576.407(b))

The applicant must make known that the use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures the applicant intends to use to make known the availability of its facilities, assistance, and services will reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability, who may qualify for those facilities and services, applicant must establish additional procedures that ensure that those persons are made aware of the facilities, assistance, and services.

The applicant must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to person with disabilities. Consistent with Title VI and Executive Order 13166, applicants are also required to take reasonable steps to ensure meaningful access to programs and activities for Limited English Proficiency (LEP) persons.

All applicants should refer to the HUD guidelines on LEP located at the following webpage:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq)

g. Uniform Administrative Requirement (24 CFR 576.407(c))

The requirements of 24 CFR Part 85 apply to the applicants that are units of general purpose local government, except that 24 CFR 85.24 and 85.42 do not apply, and program income is to be used as match under 24 CFR 85.25 (g). The requirements of 24 CFR Part 84 apply to applicants that are private non-profit organizations, except that 24 CFR 84.23 and 84.53 do not apply, and program income is to be used as the non-federal share under 24 CFR 84.24 (b). These regulations include allowable costs and non-federal audit requirements.

h. Environmental Review Responsibilities (24 CFR 576.407(d))

The applicant shall supply all available, relevant information necessary for HCD to perform for each property any environmental review as required under 24 CFR Part 50. The applicant shall also carry out mitigating measures required by HCD or select an alternate eligible property. HCD may eliminate from consideration any application that would require an environmental impact statement (EIS).

The applicant, or any contractor of the applicant, may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project, or commit or expend ESG or local funds for eligible activities under this part, until HCD has performed an environmental review under 24 CFR Part 50 and the applicant has received HCD's approval of the property. For all funded applications, HCD will inform the applicant of any required additional environmental review.

i. Procurement of Recovered Materials (24 CFR 576.407(f))

The applicant and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceed \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

j. Shelter and Housing Standards (24 CFR 576.403)

The revised standards for ES require all shelters to meet minimum habitability standards related to safety, sanitation, and privacy. ES standards address: structural soundness, access, space and security, interior air quality, water supply, sanitary facilities, thermal environment, illumination and electricity, food preparation, sanitary conditions, and fire safety. Lead-based paint remediation and disclosure requirements apply.

If ESG funds are used to help program participants remain in or move into permanent housing, that housing must meet minimum standards that address: structural soundness; space and security; interior air quality, water supply, sanitary facilities, thermal environment, illumination and electricity, food preparation, sanitary conditions, and fire safety. Lead-based paint remediation and disclosure requirements apply. See 24 CFR 576.403 for full details.

k. Recordkeeping and Reporting Requirements (24 CFR 576.500)

Applicants must have policies and procedures to ensure that recordkeeping and reporting requirements are met. The policies and procedures must be established in writing and implemented to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable HCD and HUD to determine whether ESG requirements are being met. Refer to 24 CFR 576.500 for additional details.

l. Enforcement (24 CFR 576.501)

HUD will review the performance of Subrecipients in carrying out its responsibilities under this Part whenever determined necessary by HUD, but at least annually. In conducting performance reviews, HUD will rely primarily on information obtained from the records and reports from HCD, and when appropriate its Subrecipients, as well as information from onsite monitoring, audit reports, and information from the Integrated Disbursement & Information System (IDIS) and HMIS. HUD may also consider relevant information pertaining to HCD's, and its Subrecipients', performance gained from other sources, including citizen comments, complaint determinations, and litigation. Reviews to determine compliance with specific requirements of this Part will be conducted as necessary, with or without prior notice to HCD or its Subrecipients. Refer to 24 CFR 576.501 for additional details.

m. Other Federal Requirements (24 CFR 576.407 and 576.500)

Applicants must be able to meet all federal requirements relative to the ESG program, specifically those concerning equal opportunity and fair housing, affirmative marketing, environmental review, displacement, relocation, acquisition, labor, lead-based paint, conflict of interest, debarment and suspension. Pertinent federal requirements are noted in federal ESG interim rule, all applicants should be aware that if funded, these requirements will apply.

## **IX. IMPORTANT DATES AND APPLICATION WORKSHOPS**

<b>May 16, 2016</b>	BoS NOFA and Application be released
<b>May 20, 2016</b>	<u>Application Workshop</u> State Department of Housing and Community Development 2020 W. El Camino Avenue, Room 402a/402b Sacramento, CA 95833 9:00 AM – 3:00 PM
<b>May 25, 2016</b>	<u>Application Workshop</u> Ukiah Valley Conference Center 200 South School Street Ukiah, CA 95482 9:00 AM – 3:00 PM
<b>July 1, 2016</b>	BoS provider applications due for funding requested under the regional allocations. Submitted applications must be recommended by the CoC for funding. The CoC must have adopted written standards for the proposed activity.
<b>July 15, 2016</b>	CoC and AE award process information due to HCD.
<b>On or before September 30, 2016</b>	Department announces BoS awards and AE Award Package approvals.
<b>On or before October 31, 2016</b>	Department issues Standard Agreements with BoS homeless service providers and CoC Allocation AEs.
<b>Prior to First Draw</b>	Coordinated Entry must be in place, and all other requested documents must be provided.

**Questions regarding the ESG NOFA and Application process can be directed to:**

Janette Schaake, HCD NOFA Representative  
(916) 263-2331 / [Janette.schaake@hcd.ca.gov](mailto:Janette.schaake@hcd.ca.gov)

**OR**

MeLisa Adams, HCD NOFA Representative  
(916) 263-1656 / [MeLisa.Adams@hcd.ca.gov](mailto:MeLisa.Adams@hcd.ca.gov)

**Appendix A: Preliminary Estimated Allocations\***

2016 BALANCE OF STATE PRELIMINARY ESTIMATED ALLOCATION*					
CoC Name	Total	40% RR	50% RR	*Regional Competition after 40% RR option	*Regional Competition after 50% RR option
<b>Bay Area Allocation</b>					
Marin County CoC	\$425,644	\$170,258	\$212,822	\$255,386	\$212,822
Napa City & County CoC	\$258,491	\$103,396	\$129,246	\$155,095	\$129,245
Watsonville/Santa Cruz City & County CoC	\$627,290	\$250,916	\$313,645	\$376,374	\$313,645
<b>Total</b>	<b>\$1,311,425</b>	<b>\$524,570</b>	<b>\$655,713</b>	<b>\$786,855</b>	<b>\$655,712</b>
<b>Central and Imperial Valley</b>					
Davis/Woodland/Yolo County CoC	\$508,792	\$203,517	\$254,396	\$305,275	\$254,396
El Dorado County CoC	\$255,233	\$102,093	\$127,617	\$153,140	\$127,616
Imperial County CoC	\$534,031	\$213,612	\$267,016	\$320,419	\$267,015
Inyo, Mono, Alpine Counties CoC	\$197,448	\$78,979	\$98,724	\$118,469	\$98,724
Merced City & County CoC	\$661,128	\$264,451	\$330,564	\$396,677	\$330,564
Roseville/Rocklin/Placer, Nevada Counties CoC	\$379,177	\$151,671	\$189,589	\$227,506	\$189,588
Visalia, Kings, Tulare Counties CoC	\$751,636	\$300,654	\$375,818	\$450,982	\$375,818
<b>Total</b>	<b>\$3,287,445</b>	<b>\$986,234</b>	<b>\$1,643,723</b>	<b>\$2,301,212</b>	<b>\$1,643,723</b>
<b>Northern</b>					
Amador, Calaveras, Tuolumne and Mariposa Counties CoC	\$325,738	\$130,295	\$162,869	\$195,443	\$162,869
Chico/Paradise/Butte County CoC	\$541,704	\$216,682	\$270,852	\$325,022	\$270,852
Colusa, Glenn, Trinity Counties CoC	\$351,825	\$140,730	\$175,913	\$211,095	\$175,912
Humboldt County CoC	\$580,449	\$232,180	\$290,225	\$348,269	\$290,224
Lake County CoC	\$504,736	\$201,894	\$252,368	\$302,842	\$252,368
Mendocino County CoC	\$514,900	\$205,960	\$257,450	\$308,940	\$257,450
Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC	\$514,901	\$205,960	\$257,451	\$308,941	\$257,450
Tehama County CoC	\$367,705	\$147,082	\$183,853	\$220,623	\$183,852
Yuba City & County/Sutter County CoC	\$475,222	\$190,089	\$237,611	\$285,133	\$237,611
<b>Total</b>	<b>\$4,177,180</b>	<b>\$1,670,872</b>	<b>\$2,088,592</b>	<b>\$2,506,308</b>	<b>\$2,088,588</b>

## Appendix B: Preliminary Estimated Allocations\*

<b>2016 ESG CONTINUUM OF CARE PRELIMINARY ESTIMATED ALLOCATION*</b>						
	<b>CoC Name</b>	<b>Grant Admin</b>	<b>Min of 40% RR {25 CCR § 8403 (i) (1)}</b>	<b>Total available for other activities (RR,ES,HP,SO)</b>	<b>Total Available for distribution</b>	<b>2016 Total Awards includes Grant Admin</b>
1	Bakersfield/Kern County CoC	\$14,398	\$203,483	\$305,224	\$508,707	<b>\$523,105</b>
2	Daly/San Mateo County CoC	\$10,632	\$150,262	\$225,392	\$375,654	<b>\$386,286</b>
3	Fresno/Madera County CoC	\$15,379	\$217,347	\$326,020	\$543,367	<b>\$558,746</b>
4	Los Angeles City & County CoC	\$61,465	\$868,719	\$1,303,079	\$2,171,798	<b>\$2,233,263</b>
5	Oakland/Alameda County CoC	\$17,264	\$243,999	\$365,998	\$609,997	<b>\$627,261</b>
6	Oxnard/San Buenaventura/Ventura County CoC	\$9,020	\$127,488	\$191,233	\$318,721	<b>\$327,741</b>
7	Richmond/Contra Costa County CoC	\$15,924	\$225,054	\$337,580	\$562,634	<b>\$578,558</b>
8	Riverside City & County CoC	\$17,393	\$245,814	\$368,722	\$614,536	<b>\$631,929</b>
9	**Sacramento City & County and Vallejo/Solano County CoC	\$10,889	\$883,017	\$0	\$883,017	<b>\$893,906</b>
11	Salinas/Monterey, San Benito Counties CoC	\$16,538	\$233,736	\$350,604	\$584,340	<b>\$600,878</b>
12	San Bernardino City & County CoC	\$16,810	\$237,574	\$356,361	\$593,935	<b>\$610,745</b>
13	San Diego City and County CoC	\$25,858	\$365,454	\$548,181	\$913,635	<b>\$939,493</b>
14	San Jose/Santa Clara City & County CoC	\$21,754	\$307,430	\$461,146	\$768,576	<b>\$790,330</b>
15	San Luis Obispo County CoC	\$6,265	\$88,547	\$132,821	\$221,368	<b>\$227,633</b>
16	Santa Ana/Anaheim/Orange County CoC	\$33,252	\$469,958	\$704,936	\$1,174,894	<b>\$1,208,146</b>
17	Santa Maria/Santa Barbara County CoC	\$18,694	\$264,206	\$396,310	\$660,516	<b>\$679,210</b>
18	Santa Rosa/Petaluma/Sonoma County CoC	\$13,459	\$190,230	\$285,345	\$475,575	<b>\$489,034</b>
19	Stockton/San Joaquin County CoC	\$11,138	\$157,416	\$236,124	\$393,540	<b>\$404,678</b>
20	Turlock/Modesto/ Stanislaus County CoC	\$16,051	\$226,850	\$340,274	\$567,124	<b>\$583,175</b>
		<b>\$352,183</b>	<b>\$5,706,584</b>	<b>\$7,235,350</b>	<b>\$12,941,934</b>	<b>\$13,294,117</b>

**\*\*Sacramento City & County and Vallejo/Solano County CoCs are partnering for State ESG funds, and must administer 100% of the available ESG funds for RR activities.**



**Appendix C: ESG Eligible Activities and Costs**

SUMMARY OF ELIGIBLE ESG-FUNDED ACTIVITIES	
Component	Main Eligible Activities
Street Outreach	<p><b>Eligible Program Participants:</b> Unsheltered individuals and families, meaning those who qualify <a href="#">paragraph (1) (i)</a> of the definition of “homeless.”</p> <p><b>Overview of Eligible Activities:</b> Essential services, to eligible participants, provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach activities are also eligible.</p> <p><b>Eligible costs</b> include engagement, case management, emergency health services and mental services, transportation, and services to special populations. For specific requirements see <a href="#">24 CFR 576.101</a>.</p>
Emergency Shelter	<p><b>Eligible Program Participants:</b> Individuals and families who are experiencing <a href="#">homelessness</a>.</p> <p><b>Overview of Eligible Activities:</b> Essential services to persons in emergency shelters and operating emergency shelters. Staff costs related to carrying out emergency shelter activities are also eligible.</p> <p><b>Eligible costs</b> include essential services and shelter operations. For specific requirements see <a href="#">24 CFR 576.102</a>.</p>
Rapid Re-Housing Assistance	<p><b>Eligible Program Participants:</b> Individuals and families who are <b>literally homeless</b>, meaning those who qualify under <a href="#">paragraph (1)</a> of the definition of “homeless.”</p> <p><b>Overview of eligible activities:</b> Short- and medium-term rental assistance and housing relocation and stabilization services. Staff salaries related to carrying out rapid re-housing activities is also eligible.</p> <p>Eligible costs include:</p> <p><b>Housing Relocation and Stabilization Services</b> which include both financial assistance and services.  <i>Financial Assistance:</i> Moving costs, rent application fees, security deposits, last month’s rent, utility deposit, and utility payment.  <i>Services:</i> Housing search and placement, housing stability, mediation, legal services, credit repair, budgeting, and money management.</p> <p><b>Short and Medium Term Rental Assistance:</b> Short - up to 3 months, medium – 4-24 months, payment of rental arrears or any combination of the aforementioned type of rental assistance. For specific requirements see <a href="#">24 CFR 576.104-576.106</a>.</p>
Homelessness Prevention	<p><b>Eligible Program Participants:</b> Individuals and families who are <b>at imminent risk, or at risk, of homelessness</b>, meaning those who qualify <a href="#">under paragraphs (2), (3), or (4)</a> of the homeless definition or those who qualify <a href="#">as at risk of homelessness</a>. Individuals and families must have an income at, or below, 30% of area median income.</p> <p><b>The eligible activities and costs are the same as those in the rapid rehousing component. See above.</b> For specific requirements see <a href="#">24 CFR 576.103-576.105 - 576.106</a>.</p>
HMIS	<p><b>Sub recipients</b> may pay the costs of contributing data to the CoC’s HMIS. Victim service providers and legal service providers may use ESG funds to pay the costs of establishing and operating a comparable database.</p> <p>Eligible costs include: Purchasing computer hardware and software, equipment, staff salaries for operating HMIS or the comparable database, training and overhead. For specific requirements see <a href="#">24 CFR 576.107</a></p>