Emergency Solutions Grants (ESG) Program Public Hearing for Draft Guidelines

Public Comment Period: July 16, 2024 – August 15, 2024

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ESG Overview

The Emergency Solutions Grants (ESG) program is a federal program that provides funding to states, local governments, and non-profit organizations to help individuals and families who are homeless or at risk of becoming homeless.

There are five (5) eligible components in which an eligible applicant can apply for funding:
1. Emergency Shelter
2. Street Outreach
3. Homelessness Prevention
4. Rapid Re-Housing
5. Homeless Management Information Systems (HMIS)

Eligible Applicants

- Cities or Counties

- Nonprofit Organizations

- NOTE: Tribes are not eligible to be direct recipients under the federal statute that authorized the ESG program

In prior years, the ESG program issued two annual NOFAs:

- Balance of State Allocation (BoS) - 22 of the 40 CoCs

- Continuum of Care Allocation (CoC) - 18 of the 40 CoCs

Continuums of Care (CoC)

Continuums of Care (CoC) are designed to promote a community-wide commitment to the goal of ending homelessness.

- HCD works with 40 of the 44 California CoCs. (San Francisco, Long Beach, Glendale, and Pasadena serve entitlement areas only)
- ESG's method of distribution of funding is designed so the CoCs choose what services and applicants apply for our funding.
- HCD's goal is to continue developing the relationship and collaboration with California's CoCs.

Newly Proposed ESG Draft Guidelines

Guideline Authority

Senate Bill 197 (2021-2022) included amendments to the Health and Safety Code [50899.1 - 50899.8], giving HCD the new ability to adopt guidelines for the federal ESG program.

Goals

- Speed up the deployment of funds to subrecipients – Give as close to the 24 months HCD receives to expend grant funds

- Award funding based on formula allocation (same formula allocation we have been using under the State Regulations)

- Factor in performance measures (*not until the 2027 NOFA*)

- Reduce the administrative burden on the subrecipients and HCD

Timeline

July 16, 2024	Draft Guidelines Released
July 16 – August 15, 2024	Public Comment Period
Approximately November 2024	Final Guidelines/NOFA Released
Approximately January 2025	Applications Due

Proposed Changes to Method of Distribution

- Removal of BoS, Competitive, Noncompetitive, and CoC allocations/NOFAs

- Continues to run the same formula allocation for the 40 CoC's (this is not competitive)

- CoCs can select up to two (2) applicants to directly apply. They will submit a 'recommend form.'

Proposed Changes to Timeline & Contracts

- Under the proposed guidelines, there will be only one (1) NOFA, Standard Agreement and application every three (3) years -- the next NOFAs will be in 2024 and 2027.

- Standard Agreements will be multi-year contracts (2024 – 2029) with a 3-year _estimated_ amount of funding in each contract

- For years when a NOFA is not issued, the newly added funding will be an '_amendment'_ – STD 213, budget revision, etc. No new application, NOFA or Standard Agreement will be produced.

- ESG receives funding each year from HUD (approx. $12 million). Each funding year has a period of performance of <u>24 months</u> with no extensions. The clock starts when HUD signs our grant agreement (usually in August or September).

Performance Outcome Measures

- HCD is working with Cal ICH's data team to update the ESG and ESG-CV Performance Outcome Measures comply with the 2024 HMIS Data Standards

- ESG Performance Outcome Measures will be leveraged by HCD to award ESG funding (local HMIS transmitted to HDIS)

- HCD is working with HCD IT to add the ESG and ESG-CV Performance Outcome dashboards to the Public facing website – to be transparent in how our ESG program is assisting in preventing and ending homelessness

Annual Monitoring

- Conduct Risk Assessment

- Overall Grant Management using HUD Exhibits

- Match Requirements

- Written Policy and Procedures

- Financial Management

- Cost Allowability

- Sub-subrecipient Grant Management

Mini-Monitoring

HCD Representatives request supporting documentation for several expenses on <u>each</u> financial report (request for funds)

Documentation can include:

- Eligibility determination, such as homelessness certification
- Supporting documentation such as signed leases, FMR calculation, AMI, and a housing stability plan
- Recordkeeping
- Payroll and staff costs

Questions/Comments

Any questions or comments?

ESG Webpage

ESG Draft Guidelines

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Public comments may be submitted to ESGGuidelines@hcd.ca.gov through August 15, 2024 at 11:59 PM PST