

SUMMARY

2022 ESG NOTICE OF FUNDING AVAILABILITY

On June 13, 2022, the State of California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for the state-administered Emergency Solutions Grant (ESG) Program for the Balance of State (BoS) ¹ Allocation. The ESG program funds street outreach, emergency shelter operation, services for emergency shelter residents, rapid re-housing programs, and homeless prevention programs run by private nonprofits and government agencies. The ESG BoS NOFA sets forth the process and requirements for submitting applications for ESG BoS funds, with applications and all required documentation due to HCD no later than **Wednesday, August 17, 2022 by 5PM PDT.**

Key Points

- Funding for the BoS allocation comes in two parts: **noncompetitive grants for rapid re-housing (RR)** (between 40% to 50% of the CoC formula allocation) and **a regional competition for additional funds to be used for any of the eligible project types** described below.
- In 2022, the Napa CoC may recommend up to two noncompetitive applications for rapid re-housing (RR) (with application(s) for a minimum of \$49,520 and a maximum of \$61,900) and up to two applications for the regional competition for additional funds to be used for rapid rehousing, street outreach, emergency shelter operations and services, and homeless prevention, if paired with RR, (for a minimum of \$75,000 and a maximum of \$200,000) to HCD for funding.
- **Napa homeless assistance providers are encouraged to apply for these funds and should provide a Statement of Interest Letter, expressing intent to apply for BoS ESG funding by June 27th at 5pm PT to napa@homebaseccc.org.**
- HCD's informational webinar on the ESG BoS competition will take place on Thursday, June 16, 2022 from 9-11am. (<https://www.eventbrite.com/e/2022-esg-bos-application-and-nofa-webinar-tickets-360128422807>)
- HCD will announce awards in December 2022.
- 100% match is required for all grants.

What's New in the 2022 ESG BoS NOFA

Homelessness Prevention Requirements (HP)

Beginning in 2022, all BoS Applicants that are awarded funding for the Homelessness Prevention activity are now required to develop and implement written policies and procedures (P&Ps) that fully detail their ESG-HP operations. At minimum, they must include the following content pieces:

- Participant Triage
- Coordinated Entry Integration
- Participant Eligibility
- Suite of Services
- Staffing Patterns
- Termination and Appeals
- Other Requirements
- General Operation
- Approval

A **Homelessness Prevention Manual**² has been developed and is available to all ESG CoCs and stakeholders for guidance on operating their HP programs.

¹ Balance of State NOFA can be found at: <https://www.hcd.ca.gov/sites/default/files/2022-06/2022-ESG-BoS-NOFA.pdf>

² Please see the ESG Webpage, Resources: <https://www.hcd.ca.gov/sites/default/files/2022-03/CA-HCD-ESG-HomelessnessPrevention-Manual.pdf>

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Single Audit Required with Submission of Applications

All applicants must demonstrate to the satisfaction of HCD that they are in compliance with the financial management requirements of 2 CFR 200.

The applicant must provide HCD with its most recent single audit (as submitted to the State Controller’s Office), if applicable. If the applicant has any open single audit findings and does not have a plan or an agreement to remediate those findings, the applicant will be deemed ineligible for funding through the state ESG program until the findings are resolved or a remediation plan or agreement is established.

Any and all single audit findings are included in this evaluation. This requirement is not limited to federal funds administered by the HCD. If an applicant is not subject to single audit requirements, the applicant is not required to submit an audit. Applicants that fail to disclose findings on their most recent single audit will be disqualified without exception or appeal.

Expenditure Milestones

Applicants that are awarded funding under this 2022 BoS allocation will be required to meet the following expenditure milestones. This is stated in the 2022 ESG Standard Agreement, Exhibit E. Provision Ex. A – E.3 (Expenditure Milestone Requirements - As referenced in Exhibit A, Section 4 (G)).

Percentage of ESG Award that must be expended	Milestone Deadline
20%	120 days after execution of contract
50%	180 days prior to expenditure deadline
80%	60 days prior to expenditure deadline

Reminders for the 2022 ESG NOFA

Applications Submitted via eCivis – now “Grants Network”

- The implementation of the new eCivis Grants Management System (GMS) is called “Grants Network,” which will support projects from application through to implementation and closeout and will connect with other digital accounting and reporting systems used by both HCD and HUD.
- 2022-23 ESG applications **MUST be accessed through the eCivis portal – Programs Available for Solicitation page**. Paper binder applications will no longer be accepted. Applicants are encouraged to set up profiles in eCivis and begin the application process as early as possible to ensure successful submission before the application deadline. (In 2021, HCD allowed for ESG BoS applications to be submitted prior to the deadline, for potential review and award on a rolling basis; the 2022 ESG BoS NOFA does not indicate that rolling awards are available for this year’s process.)

Advancing Racial Equity

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Contractors³ should prioritize the advancement of racial equity and must respond to disproportionality in access to services, service provision, and outcomes. **HCD will require applicants to submit related racial and ethnic data metrics from their HMIS on a quarterly reporting basis.** When applying for funds, applicants should consider:

- The community's racial demographics compared to the demographics of its homeless response system;
- The outcomes of the homeless response system based on race;
- How to increase equitable access to ESG-CV resources;
- Prioritization for programs addressing the disproportionate impacts of homelessness and COVID-19 on communities of color;
- How to incorporate communities of color and those with lived experience in the funding decision-making process and in creating effective approaches to reducing and ending homelessness;
- Making funds available to smaller, non-traditional organizations historically serving communities of color; and
- Identifying partner organizations that are addressing racial equity in the homeless response system.

The ESG BOS Processes

Overview

For a Balance of State CoC, there are two processes for applying for ESG funding: (1) a noncompetitive process for up to two rapid re-housing programs recommended for funding by the CoC after using a fair and open evaluation process; and (2) a competitive process for the remaining funding, open to program types described below.

- **Noncompetitive applications:** The CoC may recommend up to two applications for the noncompetitive funding of 40% to 50% of its BOS allocation (multi-county CoCs may recommend three applications).
- **Competitive applications:** The CoC may recommend up to two applications (or three for multi-county CoCs) for \$75,000 to \$200,000 for the competitive funding – note that these application amounts are not limited by the amount of a community's allocation. Programs seeking competitive funding will submit applications to the CoC, and then, using a fair and open process, the CoC will identify up to two applications to recommend for funding to HCD. Competitive applications will then go to HCD where they will compete for funding with other CoCs in their designated region.
- **Recommendation package:** The CoC also must complete a Recommendation Package for the competitive and noncompetitive projects it recommends for funding. Complete application packages must be received by HCD through the eCivis Grants Management portal by 5pm on August 17, 2022.

Noncompetitive Funding (40%-50% of BOS allocation, a CoC may recommend no more than two applications (or three for multi-county CoCs))

- **Rapid Rehousing** – provides housing search and retention services as well as short- or long-term rental assistance for permanent housing to homeless individuals and families. Projects must comply with HUD regulations set forth in 24 CFR 576.104, 24 CFR Part 576.105, and 24 CFR Part 576.106, regarding eligible program participants and costs, condition of housing, maximum rental amounts, lease agreements, and periods of assistance.
 - Up to 10% of a total application request for Rapid Rehousing funds may go towards Street Outreach (SO), Homeless Prevention (HP) and/or Homeless Management System (HMIS) activities.
 - HMIS activities (including comparable databases) must be associated with contributing data derived from ESG-funded programs
 - SO, HP, and/or HMIS can be subcontracted to another eligible provider or may be provided directly by the applicant
 - Local government applicants also may request \$200 for costs associated with grant administration.

³2021 ESG BoS NOFA uses the term "grantees," whereas 2022 NOFA uses the term "contractors" in reference to requirements for advancing racial equity.

Competitive Funding (a CoC may recommend no more than two applications for competitive funding (or three for multi-county CoCs))

- **Rapid Rehousing** – see above for description. *Applicants may ask for between \$75,000 - \$200,000 and include 10% set asides for street outreach, HMIS, and prevention.*
- **Emergency Shelter** – provides services and shelter to households within general or specific populations without requiring residents to sign leases or occupancy agreements. This may include day shelters, which must target persons living on streets, in emergency shelters, or places not designed for human habitation, and hotel/motel vouchers if there is no other appropriate ES available. Funds may also be used for minor repairs and maintenance. *Applicants may ask for between \$75,000 - \$200,000.*
- **Street Outreach** – provides engagement, case management, health and mental health services, transportation, and services for unsheltered homeless persons, as well as outreach to connect such persons with shelter and other housing services. May be requested alone or in conjunction with a Rapid Rehousing or Emergency Shelter grant. *Applicants may ask for between \$75,000 - \$200,000, or if asking as part of an application for Rapid Rehousing or Emergency Shelter, up to a maximum of 10 percent of that grant request.*
- **Homelessness Prevention** – includes housing location and stabilization services, as well as short or medium-term rental assistance to individuals or families “at risk of homelessness.” HP activities are not eligible as a stand-alone activity and must be applied for in conjunction with an application for an Emergency Shelter or Rapid Rehousing grant. *Applicants may ask for up to a maximum of 10 percent of the Rapid Rehousing or Emergency Shelter grant request.*
- **HMIS** – Each application may request up to 10% for HMIS costs
- **Note: Rapid Rehousing and Homelessness Prevention** programs cannot target subpopulations unless they provide HCD with documentation in advance showing that there is an unmet need for the subpopulation and that the CoC already has funding to provide services for any excluded populations.

In addition, all programs must adhere to the following Core Practices:

- Take a housing first approach to serving people experiencing homelessness by lowering barriers to access, limiting program requirements (i.e. not requiring income, sobriety), making services optional, and connecting households to permanent housing as quickly as possible.
- Use the CoC’s Coordinated Entry process (unless exempted by federal rules).
- Use progressive engagement to offer financial assistance and supportive services in a manner that offers the minimum amount of assistance necessary to resolve the participant’s housing crisis.
- Obtain funds to match federal ESG funds.
- Operate consistently within the CoC’s written standards, and consistent with other Rapid Rehousing and homelessness prevention programs within the CoC.
- Enter data into the CoC’s HMIS (unless exempted by federal rules).