



Housing First Solano Continuum of Care (CoC) 2023 ESG BoS Notice of Funding Availability NOFA Summary

On August 15, 2023, 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) Allocations. 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 Monday, October 16, 2023 by 3 PM PDT.**¹

Housing First Solano Continuum of Care encourages eligible new and existing programs to apply for the funding opportunities described below. Additional information about the CoC's review and recommendation process and timeline will be distributed to the CoC through the CoC listserv.

Key Points

- The Housing First Solano CoC is eligible to apply for up to \$213,595
- This funding comes in two parts:
 - **Noncompetitive grants for rapid re-housing (RRH)** (between 40% to 50% of the CoC formula allocation)
 - A **regional competition for additional funds** (between \$75,000 and \$200,000) to be used for rapid rehousing, street outreach, emergency shelter operations and services, and homeless prevention.
- The Housing First Solano CoC may compete for a greater amount of the competitive pool than its allocation under ESG rules.
- 100% match is required for all grants. There is a new process to apply for an exemption. See the "What's New in the 2023 ESG NOFA" section for more information.
- HCD's informational webinar will be held on Tuesday, August 29, 2023, at 10:00 am. [REGISTRATION LINK](#)

¹ All applicants are strongly advised to read the NOFA carefully before submitting applications for funding. <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/esg/2023-esg-balance-of-state-nofa.pdf>



What's New in the 2023 ESG BoS NOFA

1. Environmental Review

According to the requirements in the HUD Grant Agreement, **government entities** applying for funding must agree to assume responsibility for environmental review, decision-making, and action under **24 CFR Part 58**², “Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities” and must comply with the environmental requirements of 24 CFR Part 58 including §58.4 “Assumption Authority.

All **non-profit applicants** must also comply with the environmental requirements of 24 CFR Part 58.

Applicants cannot commit HUD or non-HUD funds to the project until the environmental review is complete. This includes acquisition, rehabilitation, conversion, lease, repair, disposal, demolition, and construction of property for the project.

If a project or activity is exempt under 24 CFR §58.34, “Exempt activities” or is categorically excluded (except in extraordinary circumstances) under 24 CFR Part 58.35(b) “Categorical exclusions not subject to §58.5”, no “Request for Release of Funds and Certification” is required, and the Applicant may undertake the activity immediately after they have been notified by HCD of its determination that each activity or project is exempt or categorically excluded

See complete details for environmental review requirements on pg. 6 of the [NOFA](#).

2. Match Exemption

HCD Requires each ESG Subrecipient to provide match equal to 100 percent of the ESG funds that HCD awards. Under each fiscal year’s annual ESG allocation, HCD is not required to match the first \$100,000 allocated. HCD is required to pass this benefit to the Subrecipient or Subrecipients who are least able to provide match. Each Subrecipient’s application will receive a ‘match exemption score,’ the maximum score being 10 points. The scoring criteria are as follows:

- These rural Subrecipients will automatically receive **2 points**:
 - Napa City & County CoC
 - Vallejo/Solano County CoC
 - Watsonville/Santa Cruz City & County
 - Davis/Woodland/Yolo County CoC
 - El Dorado County CoC
 - Imperial County CoC
 - Inyo, Mono, Alpine Counties CoC
 - Merced City & County CoC
 - Roseville/Rocklin/Placer County CoC
 - Santa Maria/Santa Barbara County CoC
 - Visalia, Kings, Tulare Counties CoC
 - Nevada County CoC

² 24 CFR Part 58: <https://www.ecfr.gov/current/title-24/subtitle-A/part-58?toc=1>



- Amador, Calaveras, Tuolumne, and Mariposa Counties CoC
- Chico/Paradise/Butte County CoC
- Colusa, Glenn, Trinity Counties CoC
- Humboldt County CoC
- Lake County CoC
- Mendocino County CoC
- Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC
- Tehama County CoC
- Yuba City & County/Sutter County CoC
- **3 points** will be allocated to Subrecipients who had difficulty producing the necessary match in the previous year.
- Up to **5 points** will be allocated to Subrecipients based on a short narrative in the application.

Applicants interested in applying for the match exemption must submit the request and required documentation at the time of their application via eCivis. HCD will allocate the \$100,000 exemption, at their discretion, to no more than two Subrecipients who receive the highest 'match exemption score.' HCD has the final decision on which Subrecipient(s) benefit from the match exemption and its decision cannot be appealed.

3. Street Outreach Requirements

Beginning in 2023, all BoS Applicants that are awarded funding for the Street Outreach activity are now required to develop and implement written **policies and procedures (P&Ps)** that fully detail their ESG-SO operations. At minimum, they must include the following content pieces:

- Written Standards
- Coverage Area
- Coordinated Entry Integration
- Participant Eligibility
- Suite of Services
- Staffing Patterns
- Housing Problem-solving
 - Diversion
 - Rapid Exit
- Other Requirements
- General Operations

A **Street Outreach Policy**³ has been developed and is available to all ESG CoCs and stakeholders for guidance on operating their SO programs.

4. Emergency Shelter Requirements

Beginning in 2023, all BoS Applicants that are awarded funding for the Emergency Shelter activity are now required to develop and implement written **policies and procedures (P&Ps)** that fully detail their ESG-ES operations. At minimum, they must include the following content pieces:

³ Please see ESG webpage resources: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/esg/ca-hcd-esg-street-outreach-policy.pdf>



- Written Standards
- Coordinated Entry Integration
- Participant Eligibility
- Suite of Services
- Staffing Patterns
- Housing Problem-solving
 - Diversion
 - Rapid Exit
- General Operations
- Other Requirements
- Approval

An **Emergency Shelter Policy**⁴ has been developed and is available to all ESG CoCs and stakeholders for guidance on operating their ES programs.

5. Rapid Re-Housing Requirements

Beginning in 2023, all BoS Applicants that are awarded funding for the Rapid Re-Housing activity are now required to develop and implement written **policies and procedures (P&Ps)** that fully detail their ESG-RRH operations. At minimum, they must include the following content pieces:

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

A **Rapid Re-Housing Manual**⁵ has been developed and is available to all ESG CoCs and stakeholders for guidance on operating their SO programs.

6. Single Audit and Form 990 Requirement

If applicable, the Applicant must provide the Department with its most recent single audit (as submitted to the State Controller's Office), as well as the last filed form 990. If the applicant has any open single audit findings and does not have a plan or an agreement to remediate these findings, the Applicant will be ineligible for funding through the State ESG program until the findings are resolved, or a remediation plan is developed.

This requirement applies to all single audit findings and is not limited to funds administered by HCD. Applicants who are not subject to single audit findings are not required to submit an audit, but they must certify as such.

⁴ Please see ESG webpage resources: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/esg/ca-hcd-esg-emergency-shelter-policy.pdf>

⁵ Please see ESG webpage resources: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/ESG-Rapid-Rehousing-Manual.pdf>



Reminders for the 2023 ESG BoS NOFA

1. Expenditure Milestones

Applicants that are awarded funding under this 2023 BoS allocation will be required to meet the following expenditure milestones. This is stated in the 2023 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

2. Homelessness Prevention Requirements (HP)

All 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 Operations
- Approval

A **Homelessness Prevention Manual**⁶ has been developed and is available to all ESG CoCs and stakeholders for guidance on operating their HP programs.

3. Grants Management System (GMS)

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 HCD. 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. HCD will only be accepting the 2023 ESG applications and all supporting documentation through the GMS.

⁶ Please see ESG webpage resources: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/esg/cahcd-esg-homelessness-prevention-policy.pdf>



2023 ESG Applications must be accessed through the [eCivis portal](#) - Programs Available for Solicitation page. Paper binder applications will no longer be required or accepted.

4. **Advancing Racial Equity**

Applicants should prioritize the advancement of racial equity at all levels of the homeless response system. Contractors must respond to disproportionality in access to services, service provision, and outcomes. Contractors have the responsibility to examine their data to ensure all eligible persons receive equitable services and support and are served with dignity, respect, and compassion regardless of circumstances, ability, or identity. **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, including the outcomes of relevant subcontractors.
- How to increase equitable access for underserved and marginalized communities to ESG resources and programming;
- 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 and how you partner with them

The Department recommends that Contractors utilize Racial Equity Tools⁷ available on the HUD Exchange.

THE ESG BoS Process Overview

As a Balance of State CoC, Housing First Solano Continuum of Care may use 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.
- **Competitive applications:** The CoC may recommend up to two applications for \$75,000 to \$200,000 for the competitive funding – note that these application amounts are not limited by the amount of the Housing First Solano CoC'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.

⁷ Please see HUD exchange: <https://www.hudexchange.info/news/new-coc-racial-equity-analysis-tool/>



Competitive applications will then go to HCD where they will compete for funding with other CoCs in their designated region.⁸

- **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 3 pm on October 16, 2023.

ESG BoS Non-Competitive and Competitive Process

Overview

	Amount	Number of Applications that can be Recommended by CoC	Eligible Project Types
Non-competitive	\$85,438 to \$106,798	Up to two for a single-county CoC but for no more than the total allocation amount	Rapid Rehousing (RR)
Competitive	\$75,000 to \$200,000	Up to two for a single-county CoC each for the \$75,000 – \$200,000 amount	<ul style="list-style-type: none"> ○ Rapid Rehousing (RR) ○ Emergency shelter (ES) <ul style="list-style-type: none"> ○ Day shelter (DS)* ○ Street Outreach (SO)* ○ Homelessness Prevention (HP)* ○ Homeless Management Information System (HMIS)* <p>*For further limitations and requirements associated with these project types see the competitive funding section below</p>

Noncompetitive Funding (40%-50% of BOS allocation, the CoC may recommend no more than two applications)

- **Rapid Rehousing** – provides 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. 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 must be associated with contributing data derived from ESG funded programs.

⁸ The other CoC's in the region are the Marin County CoC; Napa City & County CoC; and Watsonville/Santa Cruz City & County CoC.



- 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.

Competitive Funding (the CoC may recommend no more than two applications for competitive funding)

- **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:

- 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 100% of federal ESG funds (unless exempted by federal rules).
- 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).