

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

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June 1, 2020

MEMORANDUM FOR: All Potential Applicants

FROM: Jennifer Seeger, Acting Deputy Director
Division of Financial Assistance

SUBJECT: Emergency Solutions Grants Program – Coronavirus
2020 Notice of Funding Availability

Under the Coronavirus Aid, Relief, and Economic Stimulus (CARES) Act enacted March 27, 2020, the California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$42 million in federal funds for the Emergency Solutions Grants Program (ESG). Specifically, funding for this Notice of Funding Availability (NOFA) is made available pursuant to CARES Act, Title XII, Homeless Assistance Grants Section and will be referred to as “ESG-CV.”

In an effort to issue awards in the most efficient and timely manner, the Department eliminated the separate Administrative Entity (AE) and Balance of State (BoS) allocations and moved to a single, direct-allocation method. This method of distribution was approved in the Executive Order N-66-20 issued May 29, 2020, which provides for partial waiver of the California State ESG Regulations. This NOFA is issued in accordance with the Authorizing Legislation outlined in Part II of the attached.

The Department will be accepting ESG-CV applications through the eCivis Grants Management System portal beginning **June 1, 2020**. Applications and all required documentation must be **received by the Department no later than Monday, July 20, 2020, 5:00 p.m. Pacific Daylight Time (PDT)**. However, earlier applications are highly encouraged. Applications will be reviewed as they are received, and the Department will make awards on an over-the-counter basis. If the ESG-CV funds are not fully awarded by the ESG-CV application closing date, the Department will roll any unawarded funds into subsequent rounds of ESG-CV program funding. Any applications received after **Monday, July 20, 2020, 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 a sample AR, on the ESG website. Failure to include required elements in the AR, as demonstrated in the sample resolution provided, or errors in the AR, will require execution of a corrected AR and may delay execution of the Department's Standard Agreement for ESG-CV funds.

Applicants are encouraged to set-up their profiles in the [eCivis portal](https://portal.ecivis.com/#/login) 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 under at <https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml#funding>.

Applicants are encouraged to begin the application process early to ensure successful submission before application deadlines. If you have any trouble logging into the portal or have questions on how to complete the online application, please contact eCivis at support@ecivis.com or 877-2-ECIVIS (877-232-4847) or contact the Department at ESG@hcd.ca.gov.

To receive ESG NOFA FAQs, notice of the NOFA webinar, and other program information and updates, please [subscribe](#) to the ESG listserv at https://www.hcd.ca.gov/HCD_SSI/subscribe-form.html. For questions or assistance, please email ESG@hcd.ca.gov.

Attachment

Federal Emergency Solutions Grants Program - Coronavirus

Notice of Funding Availability



**Gavin Newsom, Governor
State of California**

**Lourdes 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
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June 1, 2020

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I. Overview

A. Notice of Funding Availability

Under the Coronavirus Aid, Relief, and Economic Stimulus (CARES) Act enacted March 27, 2020, the California Department of Housing and Community Development (Department) will receive funding from the United States Department of Housing and Urban Development (HUD) in the amount of approximately \$42 million in federal funds for the Emergency Solutions Grants Program (ESG). These funds are referred to herein as the ESG-Coronavirus (ESG-CV) funds and will be allocated to eligible Continuum of Care (“COC”) Service Areas listed in [Appendix A](#).

The ESG-CV Notice of Funding Availability (NOFA) provides funding for the following objectives:

- Prevent, prepare for, and respond to coronavirus among individuals and families who are experiencing homelessness or receiving homeless assistance
- Support additional homeless assistance and homeless prevention activities to mitigate the impacts created by coronavirus

The funds are distributed to COC Service Areas to either currently approved units of general-purpose local government¹ known as Administrative Entities (AEs), or directly to the COC, assuming the COC is a state and federally recognized non-profit organization and has capacity to administer the funding. If the COC does not meet these requirements, the COC must designate an AE to administer the funding for that COC Service area. The allocations will be made to AEs approved to administer the 2020 Continuum of Care NOFA allocation and to COCs listed in the 2020 Balance of State NOFA Appendix A issued February 28, 2020.

This NOFA outlines application requirements and timelines for AEs and COCs receiving funding in this allocation. AEs are responsible for administering ESG funds in collaboration with their local COC for their respective COC Service Area.

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

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

B. Tentative program timeline

ESG-CV NOFA released	June 1, 2020
ESG-CV Application released	June 1, 2020
Application window opens	June 1, 2020
Application deadline	July 20, 2020
The Department announces awards*	As applications received

* Award timeline is dependent on receipt of HUD's grant agreement to the Department, which is expected within 30 days of the CARES Act enactment.

II. Authorizing legislation

Funding under this NOFA is made available pursuant to the CARES Act, Title XII, Homeless Assistance Grants Section of and as authorized by the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11371 et seq., Subtitle B of Title IV. This NOFA should be read in conjunction with the above referenced CARES Act and 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
- 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
- HUD issued Waivers related to CARES Act funding

If state or federal statutes or regulations, or other laws, relating to the ESG program are modified by Congress, HUD, the Department, 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, the Department reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such an action occurs, the Department will notify interested parties.

III. Program requirements

The provider selection process:

Grantees are responsible for awarding ESG-CV funds to eligible service providers for ESG-CV eligible activities in their approved COC Service Area(s).

Grantees shall select qualified service providers through a process that is consistent with the following requirements:

- Is a fair and open process that avoids conflicts of interest
- Follows the procurement requirements of 2 CFR 200, 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 the Standard Agreement
- Utilizes data and considers community input to identify unmet needs
- Prioritizes activities that address the highest unmet need, considering other available funding and systemwide performance measures
- Considers project-level performance measures when evaluating proposals
- Collaborates with the local COC.

IV. Duplication of Benefits

A Duplication of Benefit (DOB) occurs when a program beneficiary receives assistance from multiple funding sources totaling an amount that exceeds the need for a particular funding need. The duplication is the amount of assistance provided in excess of the need. It is the Department's responsibility to ensure that each ESG-CV activity provides assistance only to the extent that the recipient's project's funding need(s) has not been met by another funding source.

Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) prohibits federal agencies from providing assistance to any "person, business concern, or other entity" for any loss for which the entity has already

received financial assistance from another source (See: 42 USC § 5155(a)). The Federal Register Notice, published on November 16, 2011 (Docket No. FR-5582-N-01), requires adequate policies and procedures in place to prevent a DOB and provide for the recapture of funds, if necessary.

Applicants will be required to complete DOB documentation with application. Recipients will be required to continue to report on DOB during the expenditure period for the ESG-CV funds.

V. State Annual Action Plan requirements relative to ESG

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

A. Amounts available for Administrative activities

Of the allocation available to each grantee, 5.25 percent of federal ESG-CV funds 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 OMB Cost Principles and Generally Accepted Accounting Principles (GAAP). OMB and budget requirements are listed in 2 CFR Part 200. Costs charged to ESG-CV 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-CV 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 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-CV 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 subgrantees to seek reimbursement for indirect costs must comply with all OMB requirements, including 2 CFR Part 200.403(b) 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-CV award letter issued by the Department are reimbursable after full execution of the state Standard Agreement. Per the CARES Act, contractors may request reimbursement for allowable costs incurred to prevent, prepare for, and respond to coronavirus including costs that are incurred, including costs incurred prior to the award letter and prior to the date of the enactment of the CARES Act. 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

The grantee will be responsible for setting any minimum and maximum grant amounts to subgrantees since it will be evaluating provider applications and managing these contracts. The Department will monitor grantees to ensure that they effectively manage the number of awards they make.

D. Eligible activities

For the ESG-CV NOFA, all activities permitted under the federal ESG regulations shall be eligible under 24 CFR Part 576.100. Please note the following CARES Act provisions that are especially pertinent to the ESG-CV funding:

- The maximum allocation spending cap on Emergency Shelter and Street Outreach activities of 60 percent of the aggregate amount of assistance provided for the grantee established pursuant to section 415(b)(1) of the McKinney-Vento Homeless Assistance Act (42 U.S.C 11374) **shall not apply** to amounts provided under the CARES Act.
- ESG-CV funding amounts provided under the CARES Act may be used to provide temporary emergency shelters (through leasing of existing property, temporary structures, or other means) to prevent, prepare for and respond to coronavirus, and that such temporary emergency shelters shall not be subject to the minimum periods of use as required by section 416(c)(1) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11357(c)(1)). Federal habitability and environmental review standards and requirements shall not

apply to the use of such ESG-CV funding amounts for those temporary emergency shelters that have been determined necessary to prevent, prepare for, and respond to coronavirus.

- ESG-CV funding amounts provided under the CARES Act may be used for training on infectious disease prevention and mitigation and to provide hazard pay (including for time worked prior to the date of enactment of the CARES Act) for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness, and that such activities shall not be considered administrative costs for purposes of the administrative cap.
- Grantee will receive approximately five percent of its ESG grant for the payment of administrative costs.
- Under 24 CFR Part 576.106(d), rental assistance payments provided as part of an RR or HP activity typically cannot exceed HUD's Fair Market Rent (FMR) as provided under 24 CFR Part 888, except as provided any HUD waivers issued, and must comply with HUD's standard for rent reasonableness per 24 CFR Part 982.507. After expiration of any HUD waivers to FMR, requests for exceptions to FMR can be made to HUD through the Department and must be approved in writing by HUD. Contact your Department representative in the Federal Programs Branch for further assistance.
- None of the ESG-CV funds provided under the CARES Act may be used to require people experiencing homelessness to receive treatment or perform any other prerequisite activities as a condition for receiving shelter.

E. Match requirements

No match requirements apply to the ESG-CV funding allocation.

F. Nonentitlement areas

The grantee 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 grantee shall facilitate outreach to populations in the nonentitlement areas and shall evaluate participation from these areas at least annually. Funded activities may also serve households located in ESG entitlement areas.

VI. ESG-CV application submission requirements

A. Application process

Submit applications through the eCivis Grants Management System portal. Applications that do not meet the filing deadline will not be eligible for funding. The online ESG-CV application link will be available at the [ESG webpage](#) at

<https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>.

B. Application packaging and submittal

Applications and required documentation must be received by the Department no later than **Monday, July 20, 2020, 5:00 p.m. Pacific Daylight Time**. Any applications received after this time, will not be accepted. Applicants must submit their approved Board Resolutions by the application due date. The Department will NOT accept Board Resolutions after this time.

Note: 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 of ESG funds and submittal of funds requests. Please see the instructions for completing the AR, along with a sample AR, on the ESG website. Failure to include required elements in the AR, as demonstrated in the sample resolution provided, or errors in the AR, will require execution of a corrected AR and may delay execution of the Department's Standard Agreement for ESG-CV funds.

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The Department and eCivis will be providing training on the new grants management system and will be providing further information regarding the dates and times for the training.

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

Appendix A: Estimated Allocation

	COC #	COC Name	Grant Admin	ESG-CV Formula Allocation
1	526	Amador, Calaveras, Tuolumne, & Mariposa Counties	\$28,800	\$547,800
2	604	Bakersfield/Kern County	\$47,700	\$906,700
3	519	Chico/Paradise/Butte County	\$48,500	\$921,500
4	523	Colusa, Glenn, & Trinity Counties	\$28,800	\$547,800
5	512	Daly/San Mateo County	\$43,900	\$833,900
6	521	Davis/Woodland/Yolo County	\$44,100	\$837,100
7	525	El Dorado County	\$23,000	\$437,000
8	514	Fresno/Madera County	\$53,100	\$1,008,100
9	522	Humboldt County	\$51,800	\$983,800
10	613	Imperial County	\$54,100	\$1,028,100
11	530	Inyo, Mono, & Alpine Counties	\$19,200	\$365,200
12	529	Lake County	\$35,300	\$670,300
13	600	Los Angeles City & County	\$274,900	\$5,223,900
14	507	Marin County	\$31,600	\$599,600
15	509	Mendocino County	\$37,100	\$705,100
16	520	Merced City & County	\$45,800	\$870,800
17	517	Napa City & County	\$17,900	\$340,900
18	531	Nevada County	\$23,364	\$444,400
19	502	Oakland/Alameda County	\$92,000	\$1,748,000
20	611	Oxnard/San Buenaventura/Ventura County	\$34,300	\$651,300
21	516	Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, & Sierra Counties	\$45,100	\$856,100
22	505	Richmond/Contra Costa County	\$56,100	\$1,065,100
23	608	Riverside City & County	\$77,800	\$1,477,800
24	515	Roseville/Rocklin/Placer County	\$26,600	\$504,600

	COC #	COC Name	Grant Admin	ESG-CV Formula Allocation
25	503	Sacramento City & County	\$60,200	\$1,143,200
26	506	Salinas/Monterey & San Benito Counties	\$45,100	\$857,100
27	609	San Bernardino City & County	\$65,600	\$1,246,600
28	601	San Diego City and County	\$108,400	\$2,060,400
29	500	San Jose/Santa Clara City & County	\$120,500	\$2,289,500
30	614	San Luis Obispo County	\$24,600	\$467,600
31	602	Santa Ana/Anaheim/Orange County	\$128,700	\$2,444,700
32	603	Santa Maria/Santa Barbara County	\$54,300	\$1,031,300
33	504	Santa Rosa/Petaluma/Sonoma County	\$41,600	\$790,600
34	511	Stockton/San Joaquin County	\$39,500	\$750,500
35	527	Tehama County	\$35,600	\$675,600
36	510	Turlock/Modesto/Stanislaus County	\$45,100	\$857,100
37	518	Vallejo/Solano County	\$39,700	\$754,700
38	513	Visalia, Kings, & Tulare Counties	\$62,700	\$1,191,700
39	508	Watsonville/Santa Cruz City & County	\$51,800	\$983,800
40	524	Yuba City & County/Sutter County	\$35,400	\$672,400
			TOTAL	\$41,791,700