


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

2020 W. El Camino Avenue, Suite 670, 95833  
P.O. Box 952054  
Sacramento, CA 95833  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



October 18, 2021

**MEMORANDUM FOR: All Potential Applicants**

**FROM:** Geoffrey M Ross, Deputy Director   
Division of Federal Financial Assistance

**SUBJECT: Emergency Solutions Grants Program  
Continuum of Care Allocation  
Notice of Funding Availability – Amendment #1**

The California Department of Housing and Community Development (HCD) was pleased to announce the availability of approximately \$6 million in new federal funds for the Emergency Solutions Grants (ESG) program on August 17, 2021. Funding for this NOFA is made available pursuant to Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act, 42 of the United States Code 11371 et seq.

Due to technical issues with the eCivis applications, the Department is amending the previously issued August 17, 2021 NOFA as follows:

1. The application submittal deadline for the CoC NOFA applications and required attachments has been extended for all CoC applicants to:

- **October 29, 2021 (Friday) by 5:00 p.m. Pacific Daylight Time (PDT).**

All 2021 ESG applications and required documentation must be submitted through the **eCivis Grants Management System**. Any application received after **Friday, October 29, 2021, 5:00 p.m. PDT** will not be accepted.

**For applicants that have submitted their 2021 ESG applications and would like more time to work on their application, email the [ESGNOFA@hcd.ca.gov](mailto:ESGNOFA@hcd.ca.gov) inbox and the ESG team will revert the application back to the applicant.**

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 an AR form, on the ESG website. Failure to use the AR form provided by HCD will require execution of a corrected AR and may delay execution of HCD's Standard Agreement for ESG funds. If a governing body must prepare a separate resolution concurrently that conforms to its local standard, it may do so, so long as the AR form provided by HCD is completed in full.

***In the event the applicant's AR is not submitted by the application due date, then the entire application will be deemed untimely and thus automatically rejected in its entirety."***

Applicants are encouraged to set-up their profiles in the eCivis portal located at [eCivis Grants Management System Portal](https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml) as early as possible. Information about setting up a profile, submitting an application, and managing awards through the eCivis portal is available under the Training and Technical Assistance tab on the Department's ESG website: <https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>.

Applicants are encouraged to begin the application process early to ensure successful submission before the application deadline. If you have any trouble logging into the portal, or have questions on how to complete the online application, please contact the Department at: [ESGNOFA@hcd.ca.gov](mailto:ESGNOFA@hcd.ca.gov)

To receive ESG FAQs and other Program Information and updates, please subscribe to the Federal Programs listserv at [http://www.hcd.ca.gov/HCD\\_SSI/subscribe-form.html](http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html).

For questions, or assistance, please email [ESGNOFA@hcd.ca.gov](mailto:ESGNOFA@hcd.ca.gov)

Attachment

**Federal Emergency Solutions Grants Program**  
**Continuum of Care Allocation**  
**2021 Notice of Funding Availability**



**Gavin Newsom, Governor**  
**State of California**

**Lourdes M. 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  
2020 W. El Camino Avenue, Suite 200, Sacramento, CA 95833  
ESG Program Email: [ESGNOFA@hcd.ca.gov](mailto:ESGNOFA@hcd.ca.gov)

**August 17, 2021**  
**Amended - October 18, 2021**

# Table of Contents

- I. Overview 1
  - A. Notice of Funding Availability 1
  - B. Tentative Program Timeline 1
  - C. What is new in the NOFA 2
- II. Authorizing Legislation 3
- III. Program Requirements 4
- IV. State Annual Action Plan requirements relative to ESG 5
  - A. Amounts Available for Administrative Activities 5
  - B. Eligible Costs 5
  - C. Minimum and Maximum Grant Limits 6
  - D. Eligible Activities 6
  - E. Match Requirements 7
  - F. Non-entitlement Areas 7
- V. ESG Administrative Entity application submission requirements 7
  - A. Application Submittal 7
  
- Appendix A: Estimated Continuum of Care Allocation 8

## I. Overview

### A. Notice of Funding Availability

The California 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 and allocates funds to eligible Continuum of Care (CoC) service areas. Approximately \$6 million in new federal funds, as well as additional disencumbered funds that *may* become available later this year, will be allocated to eligible CoC service areas listed in [Appendix A](#).

#### The ESG program provides funding for the following objectives:

- Engaging individuals and families experiencing homelessness
- Improving the quality of Emergency Shelters (ES) for individuals and families experiencing homelessness by helping to operate these shelters and by providing essential services to shelter residents
- Rapidly re-housing individuals and families experiencing homelessness
- Preventing families/individuals from becoming homeless

The funds are distributed in two separate funding pools: the CoC allocation and the Balance of State (BoS) allocation.

This Notice of Funding Availability (NOFA) outlines application requirements and timelines for approved units of general-purpose local government<sup>1</sup>, known as Administrative Entities (AEs), in the CoC allocation (see the Authorizing Legislation Section of this NOFA for the applicable program regulations). AEs are responsible for administering ESG funds in collaboration with their local CoC for their respective CoC service area. This NOFA also provides documentation requirements for AEs approved to administer available ESG funding.

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

### B. Tentative program timeline

ESG NOFA and application for the CoC allocation released:	<b>August 17, 2021</b>
Application deadline: <b>(amended)</b>	<b>October 29, 2021</b>
HCD announces AE awards:	<b>December 2021</b>

---

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

## C. What is New in the NOFA

1. 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 the Department. 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.

2. 2021-22 ESG Applications **must** be accessed through the [eCivis portal - Programs Available for Solicitation page](#). **Paper binder applications will no longer be accepted or required.**

Applications will be reviewed and awarded on a ‘rolling’ basis. Applications that are submitted prior to the October 29, 2021 application due date will be reviewed immediately and if approved, will be awarded.

### 3. Advancing Racial Equity

Grantees should prioritize the advancement of racial equity at all levels of the homeless response system. The Department asks grantees to be leaders in their homeless response systems, facilitating partnerships among service organizations and promoting racial equity practices. Grantees must respond to disproportionality in access to services, service provision and outcomes. Grantees cannot simply rely on delivering a standardization of services to address equity. Grantees have the responsibility to examine their data to ensure all eligible persons receive equitable services, support, and are served with dignity, respect, and compassion regardless of circumstances, ability, or identity. When applying for ESG funds, applicants should consider:

- What are your community’s racial demographics and the demographics of those within your homeless response system?
- What are the outcomes of the homeless response system based on race? What are your requirements for all sub-grantees to analyze data to determine racial disparities and then put a plan in place to address them?
- How do underserved and marginalized communities learn about and enter ESG- programming? What marketing and communication strategies are used to increase equitable access to ESG programming?
- How does your grant making process include prioritization for programs that are addressing the disproportionate impacts that homelessness has on communities of color, particularly Black, Latinx, Asian, Pacific Islander, and Native and Indigenous communities?

- How are the voices of Black, Latinx, Asian, Pacific Islander, Native and Indigenous communities and those with lived experience of homelessness being centered in a meaningful, sustained way in creating effective approaches to reducing and ending homelessness? How are they involved in the funding decision-making process?
- How are these funds accessible to smaller and non-traditional organizations that have historically been serving communities of color but may not have previously participated formally in the COC or be a part of the homeless provider community, and how would these funds address the organization capacity of organizations that are led by Black, Latinx, Asian, Pacific Islander, and Native and Indigenous people that support the goal of making homelessness rare, brief, and non-recurring?
- List your partner organizations that are addressing racial equity in the housing and homeless response system and how do you partner with them?

The Department will require applicants to submit related racial and ethnic data metrics of the homeless population and those served by the COC service area from their Homeless Management Information System (HMIS) on a quarterly reporting basis.

The Department recommends that grantees refer to and utilize the Racial Equity Tools available on the HUD Exchange to inform efforts to advance racial equity within the homeless response system. The tools are available at the following link: <https://www.hudexchange.info/news/new-coc-racial-equity-analysis-tool/>

The Department also encourages grantees to refer to the Increasing Equity in the Homeless Response System through Expanding Procurement Tool from the HUD Exchange to help guide practices in this area at the following link: <https://www.hudexchange.info/resource/6083/covid19-homeless-system-response-increasing-equity-in-the-homeless-response-system-through-expanding-procurement/>

## II. Authorizing legislation

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. This NOFA should be read in conjunction with 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;](#)
- [25 CCR, Division 1, Chapter 7, Subchapter 20;](#)
- [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.](#)

If state or federal statutes or regulations, or other laws, relating to the ESG program are modified by Congress, HUD, HCD 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, 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. Awards made under this NOFA are also contingent upon HCD receiving an award letter from HUD for 2021.

### III. Program requirements

#### The AE Provider selection process:

AEs are responsible for awarding ESG funds to eligible service providers for ESG-eligible activities in their approved CoC Service Area(s). Continuation grants are acceptable if they meet the requirements of 25 CCR 8403.

As further specified pursuant to 25 CCR 8403(g), AEs shall select qualified service providers through a process that is consistent with the following requirements:

- Is a fair and open competition that avoids conflicts of interest;
- Follows the procurement requirements of 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 25 CCR 8409;
- Utilizes data and considers community input to identify unmet needs;
- Prioritizes activities that address the highest unmet need, considering other available funding and system wide performance measures;
- Considers project-level performance measures when evaluating proposals; and
- Collaborates with the local CoC.

Note: 25 CCR 8408(e) prohibits subpopulation targeting with ESG funds in Homelessness Prevention (HP) and Rapid Re-Housing (RR) programs except if documentation of both of the following is provided to HCD prior to the award of funds for these activities:

- Evidence of an unmet need for these activities for the subpopulation proposed for targeting; and
- Evidence of existing funding in the CoC Service Area for programs that address the needs of the excluded populations for these activities.



#### IV. State Annual Action Plan requirements relative to ESG

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

##### A. Amounts available for Administrative activities

Of the allocation available to each AE, approximately 2.6 percent of federal ESG funds<sup>2</sup> 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 Office of Management and Budget (OMB) Cost Principles and Generally Accepted Accounting Principles (GAAP). OMB and budget requirements are listed in 2 CFR Part 200. Costs charged to the ESG 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 NOFA 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 same or similar 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 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 sub grantees to seek reimbursement for indirect costs

---

<sup>2</sup> 25 CCR 8402 (a)

must comply with all OMB requirements, including 2 CFR Part 200.403 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 award letter issued by HCD are reimbursable after full execution of the state Standard Agreement. Contractors shall not plan to expend any state ESG funds requiring reimbursement prior to the award letter. 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**

Where there is an approved AE, the AE will be responsible for setting any minimum and maximum grant amounts since it will be evaluating provider applications and managing these contracts. HCD will monitor AEs to ensure that they effectively manage the number of awards they make.

### **D. Eligible activities (25 CCR 8403 (h) 8408 (b))**

1. For the 2021 NOFA, all activities permitted under 24 CFR Part 576.102 shall be eligible except for: renovation, conversion, or major rehabilitation activities. 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.
2. The following additional limitations apply:
  - a) HMIS - A maximum of 10 percent of ESG funds may be used for actual costs for HMIS activities (24 CFR Part 576.107; 25 CCR 8408(c)).
  - b) Minimum and maximum percentage of an allocation for RR - AEs must award a minimum of 40 percent of their available ESG funds to RR. There are no limitations on the maximum percentage of their RR allocation. AEs collaborating with a geographically contiguous CoC in the BoS allocation must award 100 percent of both CoC Service Area allocations to RR. In the absence of an approved AE, 40 percent of a CoC Service Area allocation may be accessed noncompetitively for RR. The CoC may recommend up to two applications for RR. HCD will administer these contracts. The remainder of the funds will be distributed through the formula to the BoS allocation<sup>3</sup>.

Note: Rental assistance payments provided as part of an RR or HP activity under 24 CFR Part 576.106 typically cannot exceed HUD's Fair Market Rent (FMR) as provided under 24 CFR Part 888 and must comply with HUD's standard for rent reasonableness as established under 24 CFR Part 982.507. Request for exceptions to FMR can be made to HUD through HCD and must be approved in writing by HUD. Contact your HCD representative in the Federal Programs Branch for further assistance.

---

<sup>3</sup> 25 CCR 8403

## **E. Match requirements (24 CFR Part 576.201; 25 CCR 8410)**

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

## **F. Nonentitlement areas (25 CCR 8403 (i))**

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

## **V. ESG Administrative Entity (AE) application submission requirements**

The online 2021 ESG application link is available on the ESG webpage at <https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>. 2021 ESG Applications **must** be accessed through the [eCivis portal - Programs Available for Solicitation page](#). **Paper binder applications will no longer be required or accepted.**

Applications will be reviewed and awarded on a ‘rolling’ basis. Applications that are submitted prior to the October 29, 2021 application due date will be reviewed immediately and if approved, will be awarded.

Applications and required documentation must be received by HCD no later than **Friday, October 29, 2021, 5:00 p.m. Pacific Daylight Time**. Any applications received after this time, will not be accepted.

Submit applications and all required documentation through the [eCivis Grants Management System portal](#). Applications that do not meet the filing deadline will not be eligible for funding.

Applicants are encouraged to set up their profiles in the eCivis Grants Management System portal 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 at <https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>.

If you have trouble logging into the portal or have questions on how to complete the online application, please contact HCD at [ESGNOFA@hcd.ca.gov](mailto:ESGNOFA@hcd.ca.gov).

Questions regarding the ESG NOFA and application process can be directed to [ESGNOFA@hcd.ca.gov](mailto:ESGNOFA@hcd.ca.gov).

## Appendix A: Estimated Continuum of Care Allocation

2021 Estimated CoC Allocation*						
	CoC #	CoC Name	Grant Admin	Minimum of 40% for RR	Balance for other activities (RR, ES, HP, SO)	2021 ESG Formula Allocation
1	604	Bakersfield/Kern Co CoC	\$8,100	\$115,272	\$172,907	<b>\$296,279</b>
2	512	Daly/San Mateo Co CoC	\$5,543	\$78,894	\$118,341	<b>\$202,778</b>
3	514	Fresno/Madera Co CoC	\$8,603	\$122,432	\$183,647	<b>\$314,682</b>
4	600	Los Angeles City & Co CoC	\$34,003	\$483,934	\$725,900	<b>\$1,243,837</b>
5	502	Oakland/Alameda Co CoC	\$10,802	\$153,726	\$230,589	<b>\$395,117</b>
6	611	Oxnard/San Buenaventura/ Ventura Co CoC	\$4,890	\$69,595	\$104,393	<b>\$178,878</b>
7	505	Richmond/Contra Costa Co CoC	\$8,420	\$119,826	\$179,739	<b>\$307,985</b>
8	608	Riverside City & Co CoC	\$9,293	\$132,255	\$198,383	<b>\$339,931</b>
9	503	Sacramento City & Co CoC	\$6,477	\$92,180	\$138,269	<b>\$236,926</b>
10	506	Salinas/Monterey, San Benito Counties CoC	\$7,079	\$100,754	\$151,131	<b>\$258,964</b>
11	609	San Bernardino City & Co CoC	\$8,869	\$126,222	\$189,333	<b>\$324,424</b>
12	601	San Diego City and Co CoC	\$11,918	\$169,616	\$254,423	<b>\$435,957</b>
13	500	San Jose/Santa Clara City & Co CoC	\$12,511	\$178,054	\$267,082	<b>\$457,647</b>
14	614	San Luis Obispo Co CoC	\$4,124	\$58,696	\$88,044	<b>\$150,864</b>
15	602	Santa Ana/Anaheim/Orange Co CoC	\$19,746	281,030	\$421,544	<b>\$722,320</b>
16	603	Santa Maria/Santa Barbara Co CoC	\$9,304	\$132,408	\$198,611	<b>\$340,323</b>
17	504	Santa Rosa/Petaluma/ Sonoma Co CoC	\$6,181	\$87,972	\$131,957	<b>\$226,110</b>
18	511	Stockton/San Joaquin Co CoC	\$5,639	\$80,255	\$120,383	<b>\$206,277</b>
19	510	Turlock/Modesto/Stanslaus Co CoC	\$8,019	\$114,114	\$171,171	<b>\$293,304</b>
<b>TOTAL</b>						<b>\$6,932,603</b>

\*Estimates are based on HCD's 2021 ESG allocation. **Note:** The 2021 allocation includes \$411,238 in unencumbered funds from the 2020 ESG allocation. Amounts are subject to award of 2021 ESG funds by HUD to the State and will be finalized prior to issuance of Standard Agreements to State grantees. **Note:** Allocations are also subject to change if AEs or CoCs do not continue to participate for 2021.