

**2024 NOTICE OF FUNDING
AVAILABILITY**

**EMERGENCY SOLUTIONS GRANTS
PROGRAM**

CONTINUUM OF CARE ALLOCATION



Community Development Department
Housing Division
State CoC Emergency Solutions Grants Program
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ESG Program Email:
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Attn: HCD ESG NOFA Application

Table of Contents

1. OVERVIEW	3
2. AUTHORIZING LEGISLATION	6
3. PROGRAM REQUIREMENTS	7
4. ESG PROGRAM REQUIREMENTS	7
5. APPLICANT’S RESPONSIBILITY.....	9
6. ADDITIONAL FEDERAL REQUIREMENTS.....	9
7. ESG NOFA APPLICATION SUBMISSION REQUIREMENTS	10

1. Overview

A. Notice of Funding Availability

The City of Salinas is the Administrative Entity of the California (State) Department of Housing and Community Development (HCD) Continuum of Care (CoC) Emergency Solutions Grant (ESG) Program allocation for the Salinas, Monterey/San Benito Counties CA-506 allocation.

The State receives this funding from the United States Department of Housing and Urban Development (HUD) for the Emergency Solutions Grants (ESG) program and then allocates funds to eligible Continuum of Care (CoC) service areas.

The estimated 2024 CoC ESG allocation is uncertain, but last year’s allocation was approximately \$233,938.

The ESG program provides funding for the following objectives:

- Street Outreach - engaging individuals and families experiencing homelessness;
- Emergency Shelter - 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;
- Rapid Re-Housing - rapidly re-house individuals and families experiencing homelessness;
- Homeless Prevention - preventing families/individuals from becoming homeless;
- Homeless Management Information System (HMIS) - information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

This Notice of Funding Availability (NOFA) is for eligible homeless public service providers and outlines application requirements and timelines.

B. Tentative Program Timeline

Salinas NOFA release:	March 15, 2024
NOFA application Zoom workshop:	March 14, 2024
NOFA application deadline:	April 15, 2024 by 4:00 pm
Review and Rank applications received:	April 2024
Leadership Council Funding Recommendations:	April 24, 2024
Salinas City Council approval to submit HCD ESG Application:	May 14, 2024

HCD application release:	June 2024 <i>tentative</i>
HCD application deadline:	August 2024 <i>tentative</i>
HCD announces AE awards:	December 2024 <i>tentative</i>
Salinas announces awards to Applicants	January 2025 <i>tentative</i>
State and AE execute Standard agreement	2025 <i>tentative</i>
City executes agreements with Applicants	2025 <i>tentative</i>

C. *New Requirements*

1. Policies and Procedures

All Providers awarded ESG funding for activities are required to develop and implement written policies and procedures (P&Ps) fully detailing their ESG operations addressing the following:

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

A City of Salinas Written Standards for ESG programs is currently under development and will be made available to ESG providers for guidance on operating their programs once approved by ESG. In the interim, providers should refer to the State’s HCD ESG Webpage, Resources: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/esg/ca-esg-subrecipient-program-manual.pdf>

2. Single Audit Required with Submission of Applications

Any and all single audit findings are included in this evaluation. This requirement is not limited to federal funds administered by the City. All HCD ESG Applicants must demonstrate, to the satisfaction of the City, adherence to Federal financial management requirements as stipulated in 2 CFR 200 and submit a copy of its most recent single audit (as submitted to the State Controller’s Office), if applicable. Prospective Applicants having any open single audit finding(s) must have an established remediation plan or agreement in order to be deemed eligible for HCD ESG funding.

Applicants not subject to a single audit requirements, are 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.

3. Expenditure Milestones

Applicants awarded 2024 CoC funding will have required State HCD expenditure milestones stipulated within the executed Funding Agreement with the City. These milestones have yet to be determined, but for perspective, last year’s milestones were as follows.

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

4. Advancing Racial Equity

Pursuant to direction from the State and HUD, as provided at the links below, 2024 CoC ESG Applicants should prioritize the advancement of racial equity at all levels of their homeless response system. The City asks Applicants to be leaders within their networks and systems, facilitating partnerships among service organizations and promoting racial equity practices. Applicants cannot simply rely on delivering a standardization of services to address equity and must also respond to disproportionality in access to services, service provision and outcomes. Applicant 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.

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?
- In your community’s captured data, what are the outcomes of the homeless response system based on race? What are your requirements for all service providers to analyze data to determine racial disparities and what plan will be put 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 as 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?
- What organizations do you partner with to address racial equity within your housing and homeless response system and how do you partner with them?

2. 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;](#)
- [HCD Policy and Research Plans and Report \(ca.gov\)](#)
- The updated version of the **ESG Program Interim Rule** published in the Federal Register on April 1, 2017.
- Chronically Homeless Definition Final Rule;
- [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, the City of Salinas reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such an action occurs, the City will

notify interested parties. Awards made under this NOFA are also contingent upon the City receiving an award letter from HCD for 2024.

3. Program requirements

A. Provider selection process:

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

- Is a fair and open competition that avoids conflicts of interest;
- Follows the federal procurement requirements of 24 CFR Part 84;
- Utilizes an independent application review panel who will rate and score applications from lowest to highest;
- 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;
- Collaborates with the local CoC.

B. Leadership council

The Leadership Council makes the final decision for the final CoC ESG funding allocations. The CoC 506 Leadership Council will receive funding recommendations from the City based upon the highest scored applications. A minimum of 40% of the funding will be allocated towards rapid rehousing activities.

4. ESG Program Requirements

A. Eligible costs

Applicants must follow all Office of Management and Budget (OMB) Cost Principles and Generally Accepted Accounting Principles (GAAP). OMB 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, ESG allowable costs must comply with the policies and procedures afforded all activities within the Contractor or service provider's 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. Organizations that seek reimbursement for indirect costs must comply with all OMB requirements, including 2 CFR Part 200.403 and Part 200 Appendix 4. Contractor 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 the City are reimbursable after full execution of the funding agreement. **Applicants shall not plan to expend any state ESG funds requiring reimbursement prior to the execution of the funding agreement.** In addition, no funds shall be expended until any required environmental review process has been completed, if required under 24 CFR Part 50.

B. Eligible activities (24 CFR Part 576) (25 CCR 8403 (h) 8408 (d))

1. Eligible ESG activities may found at 24 CFR 576.
2. For the 2024 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 Emergency Shelter that do not qualify as renovation, conversion, or major rehabilitation are an eligible use of state ESG funds. (25 CCR 8408(d)).
3. 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 Rapid Re-Housing (RRH) City must award a **minimum of 40 percent of their available ESG funds to RRH.** There is no maximum percentage limitation on the percentage on the allocation of RRH funds.

Note: Rental assistance payments provided as part of a Rapid Re-Housing or Homeless Prevention 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.

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

All awarded and funded Applicants must make matching contributions in an amount that equals or exceeds the amount of State ESG funds awarded. The City will request documentation as part of its monitoring to determine the sources and amounts used to meet the federal ESG matching requirement.

5. Applicant's Responsibility

It is the duty and responsibility of each Applicant to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project, program, or activity in order to ensure that each and every requirement of those funding sources is compatible with all HCD program requirements and restrictions. Incompatibility of funding sources will result in the denial or cancellation of an award or may result in the placement of conditions or limitations on an award, all as determined by HCD and the City in its sole and absolute discretion.

6. Additional Federal Requirements

A. *General*

The requirements in [24 CFR Part 5, subpart A](#) are applicable, including the nondiscrimination and equal opportunity requirements found at [24 CFR Part 5.105\(a\)](#). Section 3 of the HUD Act of 1968 and implementing regulations at [24 CFR Part 75](#) apply, except that homeless individuals have priority over other Section 3 residents in accordance with [24 CFR Part 576.405\(c\)](#).

B. *Program Requirements: 24 CFR Part 576*

§ 576.400	Area-wide systems coordination requirements.
§ 576.401	Evaluation of program participant eligibility and needs.
§ 576.402	Terminating assistance.
§ 576.403	Shelter and housing standards.
§ 576.404	Conflicts of interest.
§ 576.405	Homeless participation.
§ 576.406	Equal participation of faith-based organizations.
§ 576.407	Other federal requirements.
§ 576.408	Displacement, relocation, and acquisition.
§576.409	Protection for victims of domestic violence, dating violence, sexual assault, or stalking
§576.500	Record keeping and reporting requirements.
§576.501	Enforcement.

C. Other Federal Requirements

Applicants must be able to meet all federal requirements relative to the ESG program, specifically those concerning equal opportunity and fair housing, affirmative marketing, environmental review, displacement, relocation, acquisition, labor, lead-based paint, asbestos, conflict of interest, debarment, and suspension. Pertinent federal requirements

are noted in federal ESG regulations and ESG Standard Agreements. All Applicants should be aware that, if funded, these requirements would apply.

7. ESG NOFA Application Submission Requirements

City Data Services (CDS) is the grants management system used by the City of Salinas to administer and manage grant funds. CDS will allow Applicants to apply for State CoC ESG funding online and will track the status of their application once submitted. CDS will support programs and projects from application through to implementation and closeout.

2024 ESG applications must be accessed through CDS. The application will be available online at City Data Services (CDS) website: www.citydatasevices.net (Login and password SAL2024 for new applicants).

For returning applicants, please log into CDS using your current username and password.

A virtual workshop will be held Thursday, March 14, 2024, from 10:00 a.m. to 12:00 p.m. via the Zoom link below to assist applicants with the NOFA and on-line application process. For accommodation for persons with disabilities and language interpreter request, please contact the Community Development Department - Housing Division by March 13, 2024.

Join Zoom Meeting

<https://us02web.zoom.us/j/84206717343?pwd=SHNLdjBicTZoRWpJTmxaMkVrKzNhUT09>

Meeting ID: 842 0671 7343

Passcode: 304644

One tap mobile

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- +1 253 205 0468 US
- +1 689 278 1000 US
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US
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Meeting ID: 842 0671 7343
Passcode: 304644

Complete applications and required documentation must be received by the City no later than **Friday, April 15, 2024, 4:00 p.m. Pacific Daylight Time**. Any applications received after this time will not be accepted.

If you experience difficulty logging into CDS or have questions on how to complete the online application, please contact City Housing Division staff at housingwebmail@ci.salinas.ca.us.

For questions regarding the NOFA process, please contact Housing Division staff at (831) 758-7334 or email: housingwebmail@ci.salinas.ca.us. Attn: HCD ESG NOFA Application. Hablamos español. TDD users may contact the City through the California Relay Service at 711.